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ABSTRACT

Following a detailed review of present tuition and financial aid policies, the Committee on Tuition and Other Student Costs focused on recommended changes in policy and the implication of such policies on the costs to students of access to higher education opportunities. The committee affirmed its belief that an important goal of the Board of Higher Education should be the "availability of educational opportunity without regard to financial status and the elimination of financial barriers to higher education." To obtain this goal, the objectives of student choice, student access, and student opportunity must be met. Sections two and three of this study summarize the recommendation of the committee. (Author)

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STUDENT ACCESS, SCHOLARSHIP, AND LOAN PROGRAMS:

Report of the Study Committee on Tuition and Other Student Costs for Master Plan Phase IV.

Committee Staff: H.J. Haberaecker and R.D. Wagner

HE 008 001

State of Illinois
Board of Higher Education

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I. INTRODUCTION

The Study Committee on Tuition and Other Student Costs was created by the Board of Higher Education, State of Illinois, on February 5, 1974 for the purpose of reviewing the role of tuition in the financing of higher education. In particular, the Committee was directed to devise a plan for maintaining currency between instructional costs for undergraduate students and tuition charges and to examine appropriate tuition charges for graduate and professional studies. Although the Board in its action on December 4, 1973 reaffirmed a previous policy adopted in December 1970 which states that public senior universities should maintain tuition charges at a level of one-third of undergraduate instructional cost calculated on the appropriate system base, the Committee was granted flexibility to re-examine the appropriateness of this policy and to consider any aspect of the tuition question.

Early in its deliberations, the Committee recognized that various constraints had been placed on its effectiveness by limiting the charge solely to the study of tuition. It became apparent that the ability of a student to finance his or her education encompasses many factors which are not directly related to tuition but which may prevent a student from entering higher education. Therefore, the Committee requested that its charge be broadened to include other costs that students must assume in their efforts to obtain a postsecondary education. As stated in the Board's action of May 7, 1974, the expanded charge to the Committee was as follows:

> "Be it resolved that the Board of Higher Education affirm that the special Board Committee appointed at the February 1974 meeting to study tuition policy is not limited solely to consideration of policies on tuition for public senior universities, but should consider all aspects of the cost to students of access to higher education opportunities, both public and nonpublic. To reflect the broad charge, the Committee shall be known as the Study Committee on Tuition and Other Student Costs. The Committee may make separate recommendations as appropriate and from time to time on policies relating to undergraduate costs and charges, graduate and professional program costs and charges, student financial aid, differential tuition and charges among programs and campuses, and such non-financial determinants of access as may be appropriate to financial policy recommendations and other relevant subjects."

In the fulfillment of its charge, the Committee reviewed the existing Board policy regarding tuition rates at public universities to determine whether it was both appropriate and still applicable. The present Board policy clearly states that "public senior universities should maintain tuition charges at a level of one-third of instructional cost calculated on the appropriate system base." The policy was adopted by the Board on December 1, 1970, and was implemented by all of the governing board systems by the 1972-73 academic year. Therefore, current tuition charges reflect this Board policy with respect to the 1968-69 Unit Cost Study, which was used in determining instructional cost. In practice, "undergraduate" instructional cost, as defined by the Unit Cost Study Procedure, was used to calculate the appropriate charges for undergraduate and graduate students. This procedure yielded the current tuition charges in effect in all systems since the Fall of 1972, as shown below:

System	Resident	Non-Resident
Board of Governors	$420	$1,266
Board of Regents	404	1,065
Southern Illinois University	429	1,287
University of Illinois		
Chicago Circle Campus	495	1,485
Medical Center Campus	495-882	1,485-1,872
Urbana Campus	496	1,486

Since these tuition charges were adopted in the 1972-73 academic year, no changes have taken place to reflect the increase in instructional costs which occurred since this period. The most recent Unit Cost Study, 1972-73, revealed that undergraduate instructional costs by system had increased since 1968-69 by the following amounts:

Board of Governors	21.4%
Board of Regents	28.6%
Southern Illinois University	28.9%
University of Illinois	7.0%

Therefore, by holding tuition constant during this period, the percentage of instructional costs which students pay has declined and the additional cost has been assumed by the State. It appeared to the Committee that either a mechanism must be developed for maintaining currency between tuition and instructional costs or a new tuition policy must be adopted.

Although the adoption of a tuition policy was one important task of the Committee, an equally important consideration was the designation of equitable financial aid policies to assist students in the payment of college costs. Therefore, federal and state financial aid policies and their effect on Illinois students were reviewed and various changes have been recommended.

The Monetary Award Program of the Illinois State Scholarship Commission (ISSC) has impacted a larger number of Illinois students than any other program. The financial aid programs of the States of New York, Pennsylvania, and Illinois alone account for over 50 percent of all the state dollars distributed for financially needy students even though these states have only a fifth of the nation's population. Illinois also ranks among the 5 highest states in award winners' mean parental income, with a mean parental income of $9,639 per award winner.

Since its inception in 1958, the Illinois State Scholarship Commission has distributed approximately 458,300 monetary awards to students in need of assistance in meeting college costs. Recent changes in ISSC requirements, including aid to half-time students and independent students, extension of the application deadline to October 1, fifth-year entitlement, increases in the maximum award to students in private institutions to $1,350, and liberalization of the needs analyses formula, have resulted in larger numbers of students being served by this program. A recent ISSC survey of 1973-74 monetary award winners revealed that 54.3 percent of the respondents would not have been in school full-time without ISSC aid and 34 percent of the respondents indicated that acceptance of an ISSC award has reduced the need for excessive borrowing and employment while in school. Perhaps the most significant change that has occurred as a result of the ISSC Monetary Award Program is the substantial increase in the number of lower income students being served by higher education. For instance, during the period of 1969 to 1973, the number of students receiving ISSC awards from family incomes below $10,000 increased from 9,268 in 1969 to 42,833 in 1973, an increase of 362.2 percent. Even though the recognition of independent students increased the number of award winners in the income range below $10,000 by approximately 38.5 percent between 1969 and 1973, the increase in access to higher education for all lower income students during this period has been substantial.

Following a detailed review of present tuition and financial aid policies, the Committee focused on recommended changes in policy and the implication of such policies on the costs to students of access to higher education opportunities. The Committee affirmed its belief that an important goal of the Board of Higher Education should be the "availability of educational opportunity without regard to financial status and the elimination of financial barriers to higher education." In order to obtain this goal, the objectives of student choice, student access, and student opportunity must be met. These objectives assure students of the right to a postsecondary education and freedom to choose the type of institution which best meets their needs. Sections II and III of this paper summarize the recommendations of the Study Committee on Tuition and Other Student Costs, recommendations which the Committee believe consistent with the goals and objectives set forth above.

II. TUITION

The responsibility for meeting postsecondary educational costs is shared by the student, his or her parents, private donors, and taxpayers through various levels of government. This pattern of financing reflects the philosophy that education benefits both the individual and society. As part of its review of the role of tuition at public universities, the Committee identified several factors which must be considered in the development of any tuition policy for public universities. Among these factors are the:

1. Relationship of Tuition to Instructional Cost
2. Relationship of Tuition to Total Student Cost
3. Relationship Between Tuition at Public Universities and Private Institutions
4. Relationship Between Tuition at Public Universities and Community Colleges
5. Relationship Between Tuition at Public Universities and Out-of-State Institutions
6. Relationship Between Student and Taxpayer Support of Higher Education

After reviewing the factors which the Committee deemed important in the setting of a tuition policy for public universities, an attempt was made to list various tuition alternatives and relate them to the above considerations. Among the tuition alternatives considered by the Committee were the following:

1. Full cost pricing
2. No tuition
3. Differential tuition charges by level of instruction
4. Differential tuition charges between the undergraduate and graduate levels
5. A uniform tuition policy for all public universities based on a percentage of the statewide undergraduate instructional cost
6. Reaffirmation of present Board policy whereby tuition charges be maintained at a level of one-third of the undergraduate instructional cost calculated on the appropriate system base

The fourth alternative, differential tuition charges between the undergraduate and graduate levels, is the recommendation as adopted by the Committee. A differential undergraduate and graduate tuition policy appealed to the Committee because (1) it recognized the high cost of graduate programs, (2) it reduced the widening gap in state subsidy for undergraduate and graduate students, and (3) it was in keeping with the considerations identified as necessary in the setting of a tuition policy. In regard to an undergraduate tuition policy, the Study Committee on Tuition and Other Student Costs recommends to the Board of Higher Education:

> "That tuition charges for resident, undergraduate students be maintained at a level of one-third of undergraduate instructional cost calculated on the appropriate system base. To this end, public university systems should raise undergraduate tuitions approximately on a proportional annual basis so that the one-third policy will be fully implemented no later than Fiscal 1980, provided that:
>
> a. The General Assembly and Governor increase funding of the Illinois State Scholarship Commission's Monetary Award Program and/or other programs to offset the impact of any proposed tuition increases on financially needy students,
> b. Full implementation of the one-third policy at any one system does not result in undergraduate tuition charges higher than undergraduate tuition charges at the University of Illinois, and
> c. In the calculation of undergraduate instructional costs to determine appropriate tuition charges, new institutions be excluded from the calculations during the first ten years of operation.
>
> Furthermore, following full implementation of the one-third policy by Fiscal 1980, tuition charges should be updated annually and applied in Board of Higher Education budget recommendations routinely thereafter."

The recommendation above is similar to the present Board policy regarding tuition charges, however, slight alterations have been made to reflect changes which have occurred since the adoption of the present tuition policy in 1970. Since the adoption of a tuition policy based on the 1968-69 Unit Cost Study, two new institutions, Sangamon State and Governors State, have been established. Instructional costs for new and developing institutions are on the average much higher than for established institutions. If the two developing high-cost institutions are included in the calculation of system-wide instructional costs for determining tuition charges, higher tuition charges for the existing systems will result.

In an effort to minimize the effect of establishing a new institution on a system's average instructional cost, it is recommended that these two institutions be excluded from the calculation of tuition for the first ten years of operation.

Changes in enrollment patterns have also occurred since the adoption of the tuition policy in 1970. Due to stabilizing or declining enrollments within systems, competition for students has increased. In an effort to allay some fears that further enrollment declines will occur as a result of the full implementation of the tuition policy, it is recommended that undergraduate tuition charges in the other systems not exceed those in effect at the University of Illinois.

An advantage of establishing a tuition policy is that it clearly indicates what percent of the cost of instruction students are expected to pay if they are financially able to do so. Although there is nothing philosophically profound about the one-third figure, this policy coupled with adequate financial aid programs provides a basis from which students and parents can operate in planning the financing of a college education. The setting of a tuition policy also eliminates the likelihood that individual systems and institutions will recommend budgets whereby students are expected to contribute an amount above the maximum level recommended, which could be an alternative financing plan if the state's share of the cost of higher education declined. A one-third tuition policy also reinforces the concept that the cost of higher education is a shared responsibility between students and taxpayers. Although students would pay a portion of the instructional cost, it is not only a small portion of the full instructional cost but a much lower percentage of the total educational and general expenses incurred in the operation of institutions.

In regard to a graduate tuition policy, the Study Committee on Tuition and Other Student Costs recommends to the Board of Higher Education:

> "That tuition charges for resident, graduate students be maintained at a level of 133 1/3 percent of the resident, undergraduate tuition charge at each system. To this end, public university systems should raise graduate tuitions to this level concurrently in relationship to increases in undergraduate tuition charges."

The recommended graduate tuition policy clearly establishes the principle that the more advanced the level of education, the greater the cost should be to the student. The Committee asserted that the student's financial share should increase as he or she moves into more advanced levels of education where the goal is not merely achieving basic skills but gaining access to higher-paying, professional level jobs. A graduate tuition policy also affirms the fact that instructional costs rise sharply as students advance as a comparison of undergraduate and graduate instructional costs by system, based on the 1972-73 Unit Cost Study reveals:

System	Undergraduate Instructional Cost	Graduate Instructional Cost
Board of Governors	$1,464	$2,686
Board of Regents	1,488	4,235
Southern Illinois University	1,661	4,901
University of Illinois	1,590	4,206

Recommending graduate tuitions at a level of 133 1/3 percent of the resident, undergraduate tuition charge is not and cannot be a precise means of measuring individual and societal benefits of advanced levels of education. Various alternatives were considered in arriving at this number. The number chosen, 133 1/3 percent, reflects the Committee's belief that graduate students should pay tuition at a level of one-third above that of undergraduate students.

The recommended tuition policies call for annual updating of costs and full implementation by no later than Fiscal 1980. No attempt has been made to estimate what the instructional costs by system will be in Fiscal 1980. However, if the most recent Unit Cost Study, 1972-73, were used, the following tuition charges would be in effect by Fiscal 1980:

System	Undergraduate Tuition Charge	Graduate Tuition Charge
Board of Governors	$488	$650
Board of Regents	496	660
Southern Illinois University	530	707
University of Illinois	530	707

A previous Board policy adopted in December, 1970 stated that "non-resident tuition be maintained at a level of 100 percent of the instructional cost base." Non-resident tuition charges in other states were reviewed and determined to be substantially higher than resident tuition charges, approximating 75 to 100 percent of instructional cost. Therefore, the Study Committee on Tuition and Other Student Costs recommends to the Board of Higher Education:

> "That tuition charges for non-resident, undergraduate students be maintained at a level of full instructional

> cost calculated on the appropriate system base and tuition charges for non-resident, graduate students be maintained at a level of 133 1/3 percent of the non-resident, undergraduate tuition charge at each system. Furthermore, it is recommended that the Board of Higher Education consider entering into reciprocal tuition agreements with other states if such agreements prove to be fiscally sound."

Based on the Fall, 1973 Board of Higher Education Enrollment Survey, a non-resident tuition policy will affect only 9,487 students in public universities. Discounting the number of non-resident students receiving institutional waivers, it appears that fewer than 4,000 students paid non-resident tuition in 1973.

The proposed non-resident tuition policy requires the same methodology for implementation as the resident tuition policy. Although no attempt was made to estimate what the instructional costs will be by Fiscal 1980, if the 1972-73 Unit Cost Study were used to calculate instructional costs, the following non-resident tuition charges would be in effect by Fiscal 1980:

System	Non-resident Undergraduate Tuition Charge	Non-resident Graduate Tuition Charge
Board of Governors	$1,464	$1,952
Board of Regents	1,488	1,984
Southern Illinois University	1,590	2,120
University of Illinois	1,590	2,120

Illinois historically has been a net exporter of students. Based on the most recent national data available, Fall 1968, 81,039 students left Illinois and 48,585 students entered Illinois to attend a postsecondary institution for a net loss of 32,454 students. Due to the large number of Illinois students who migrate to surrounding states, Illinois has been asked to enter into reciprocal tuition agreements with other states. However, the Committee cautions the Board to only consider entering into reciprocal tuition agreements if the benefits of such an agreement favor Illinois as well as the other state involved.

The Committee also reviewed instructional costs in the professional education programs. Three high-cost programs were identified for further study. These programs were medicine, dentistry and veterinary medicine. Since all three of the programs related to the health professions, the Committee requested the Health Education Commission to explore the cost and benefits of the programs and recommend appropriate levels of tuition for these programs. A report of the Health Education Commission carefully outlined the financial commitment of the State of Illinois to health expansion, costs of health professions education program to the State on a per student basis, how students finance their education, nationwide tuition levels, financial aid available to students in the health-professions, and the mean income of physicians, dentists, and veterinarians.

Based on the cost of the educational programs in medicine, dentistry, and veterinary medicine and the rate of return on the student's investment, the Health Education Commission recommended a tuition increase. However, in recommending a tuition increase, the Commission warned that cognizance must be taken of the impact on the student who, for whatever reasons, may be closed out of an opportunity for a medical, dental or veterinary medicine education due to the added financial burden. More specifically, the Health Education Commission recommends and the Study Committee on Tuition and Other Student Costs concurs:

> "That the Board of Higher Education recommend to the appropriate governing boards that tuition levels for public schools of medicine, dentistry, and veterinary medicine be set at the following academic year rates in Fiscal Year 1977 and adjusted in proportion to the undergraduate tuition increases thereafter:

Medicine	$1,250
Dentistry	900
Veterinary Medicine	750

A final recommendation of the Study Committee on Tuition and Other Student Costs regarding implementation of a tuition policy is as follows:

> "That any proposed tuition increase be announced by the individual governing boards no later than the date of the required budget submission to the Board of Higher Education in order to provide students with sufficient opportunities to explore various means of financing the additional cost."

The impetus for this recommendation was the realization that students and/or their parents need sufficient time to plan means of financing a college education. A nine-to-twelve month period between announcement and implementation of a tuition increase, contingent upon legislative and gubernatorial approval, would allow sufficient time to explore various means of financing the additional cost, including possible qualification for financial aid.

III. MEETING COLLEGE COSTS

The ability to meet college costs is of primary concern to students and/or their parents in the decision to attend a postsecondary institution. College costs are defined as the payment of tuition, fees, room and board, and other miscellaneous expenses. The Committee recognized that college costs as defined above by no means represent the aggregate cost of obtaining a postsecondary education, however, it is these costs which students are expected to contribute towards their education and living expenses. Although the absolute dollar amount required from students and/or their families in meeting college costs was given considerable attention by the Committee, a more critical consideration was the way this burden is distributed among students and/or their families, whose ability to meet educational and living expenses varies enormously.

The Committee, in reviewing how students finance college costs and the manner in which costs are distributed, recognized a strong need for viable financial aid programs which distribute financial aid to students who without assistance would not be able to attend a postsecondary institution. Therefore, state and federal financial aid policies were carefully scrutinized to determine their effect on Illinois students. A total of eleven recommendations designed to improve existing financial aid programs follow.

Of major concern to the Committee was the inaccessibility of the Illinois Guaranteed Loan Program to students. Because funds are made available by private lenders, lower income and minority students may not be served under this program if lenders consider them a bad risk. With the prime interest rate on other loans fluctuating between 9 and 12 percent annually, some lenders have been unwilling to loan money to any students under the Illinois Guaranteed Loan Program at a 7 percent interest rate, even with additional federal subsidies between 1 1/2 and 3 percent. The inability of some students to obtain loans under present market conditions prompted the General Assembly to request that ISSC conduct a feasibility study on the state serving as a direct lender to students. The results of the ISSC feasibility study should be available in May, 1975.

The Committee considered it critical that loans be made available to students who need them. In light of the recommendation calling for a substantial increase in graduate tuitions, the Committee felt strongly that loans must be available in particular to graduate students to assist them in financing their education. If the feasibility study on direct state lending conducted by ISSC proves that direct state lending is both fiscally prudent and can open up the loan market to additional students, the Committee would be generally supportive of its implementation. The Committee would recommend:

> "That the Illinois State Scholarship Commission bring any recommendations concerning the implementation of a direct state lending program before the Board of Higher Education for its information. Until such time as a feasibility study on direct state lending is completed by the Illinois State Scholarship Commission, the Board of Higher Education regards continuation of the present Illinois Guaranteed Loan Program, with possible modification, as an ongoing source of funds for students in need of loans. An effort should also be made to widen participation by additional lending institutions."

In order to assure students of the availability of educational opportunity without regard to financial status, the Committee set among its highest priorities the following recommendation:

> "That the Illinois institutions of higher education, their governing boards and the Board of Higher Education give higher funding priority to the operation of student financial aid, counseling, and employment offices in an effort to increase their services to students in need of financial assistance, to increase their share of federal and state student aid resources presently available, and to honor their commitment to access to higher education.
>
> To this end, the Board of Higher Education should recommend a one-time $25,000 allocation for the implementation in all public universities of the computer-assisted financial aid management system developed at Illinois State University."

The Committee was appalled at the lack of information available from financial aid offices concerning the number of students requesting and receiving aid and the economic profile of students being served. The Committee realized that in order to rectify this situation the cooperation of the Board of Higher Education and individual institutions and their governing boards must be solicited. Therefore, it was recommended that a computer-assisted financial aid management system be implemented at each public university, with the cost of documentation and training necessary to implement the system being borne by the State of Illinois through the Board of Higher Education.

The benefits of such a system are numerous. Foremost, more students could be served if financial aid offices used computer-assisted financial aid management systems. Presently, the application which students are required to submit is processed manually as is the packaging of financial aid. Under a computer-assisted system, these tasks could be handled by the computer, thus freeing staff time for meeting with individual students and helping them solve any problems they are having in seeking assistance. As problems are solved, more and more students could be served by the financial aid office. By freeing staff from the manual activities which they are presently required to perform, the important role of counseling could be performed more adequately. The Committee recognized the large need for financial aid counseling of individual students with special problems and those seeking placement in on-campus and off-campus jobs.

Another benefit of a computer-assisted financial aid management system is that through the documentation of empirical data, institutions should be able to receive additional federal funds for student aid. The application which institutions must file for requesting funding under the Supplemental Educational Opportunity Grant, College Work-Study, and National Direct Student Loan programs requires verification of the financial need of the student body. A computer-assisted system can document student need by integrating the files of students presently receiving aid. Illinois State University, through the use of their financial aid system, has consistently been able to increase its share of federal funding for student aid programs, while most other institutions have shown a decline in the level of federal funding for student aid programs. Another benefit of the implementation of a computer-assisted financial aid management system would be that the Board of Higher Education would have empirical data available in reviewing the need for additional financial aid.

The Committee also encouraged continuation of the efforts begun by this Committee and previous Committees in the development of information related to total student cost and financial aid programs and the impact that changes in either area will have on past policy decisions. To this end, the Study Committee on Tuition and Other Student Costs recommends to the Board of Higher Education:

> "That the Board of Higher Education continue its efforts to develop a comprehensive data base for all sectors of Illinois higher education on information relating to total student cost, tuition and fees, and financial aid programs in order to monitor:
>
> a. changes in federal and state financial aid policies and their potential or actual impact on enrollments and the students' ability to meet college costs,
> b. changes in the unmet student cost between and within the public and private sectors of higher education,
> c. the impact of tuition increases on enrollments and resulting changes in the distribution of students by family income, and
> d. alterations in the unduplicated headcount of financial aid recipients within and among the various sectors of higher education.

> This information is to be collected through the Annual Financial Aids Survey and Report published by the Board, state and federal reports, and any survey instruments deemed necessary by the Board staff. The information will be presented to the Board in an Annual Report for their consideration."

In an effort to assist in the expansion of opportunities for students seeking financial assistance, the Study Committee on Tuition and Other Student Costs recommends:

> "That the Board of Higher Education urge the General Assembly and Governor to vigorously support expansion of the federally-funded Basic Educational Opportunity Grant and College Work-Study programs."

These two programs were highlighted by the Committee due to the belief that these programs are most likely to have a long-range impact on undergraduate students needing assistance in the payment of college costs. The Basic Educational Opportunity Grant program (BEOG), designed to provide needy undergraduate students with a maximum entitlement of $1,400 per year, allows students an opportunity to attend a postsecondary institution as well as a choice of the type of institution to attend. The College Work-Study program (CWS) provides employment funds for lower income students in order to help them meet the student contribution of one-fourth of college costs expected of them. It is expected that once the BEOG program is fully funded, a number of other federally funded student assistance programs which are institutionally based will be eliminated. However, the consensus of the Committee was that the College Work-Study program must be preserved since it is the only means by which many lower income students can earn money to meet the expected student contribution.

Although the Committee believes that the State's practice of awarding undergraduate tuition and fee grants to needy students should be continued, it felt that the federal government should assume the responsibility of providing funds to needy students for the payment of other college costs. This belief is based primarily on immediate and long-range returns which the federal government gains through its investment in students needing assistance via the income tax structure. The mean income of a male college graduate 18 and older in Illinois exceeds that of a male high school graduate by approximately $5,362 and the federal income tax which a college graduate pays exceeds that of a high school graduate by approximately $1,185 per year. Even though mean income is dependent upon age and experience in most cases, it is clear that the federal government would receive a full return on its investment in a relatively short period of time.

Although the Committee regards the role of the Federal government in the distribution of financial aid as crucial, it recognizes the important role which the State of Illinois has played in the distribution of financial aid via tuition and fee grants and waivers, employment, and loans. After a careful review of existing programs, the Committee recommended:

> "That financial need should be the controlling element in the distribution of state-appropriated funds for student aid to undergraduate students in all sectors of Illinois higher education. To this end, it is recommended that the non-needs based General Assembly Scholarships be eliminated.
>
> The Illinois State Scholarship Commission has incurred the major responsibility for the distribution of student aid based on need. It is recommended that any future increases in needs-based financial aid programs funded by the State be administered by the Illinois State Scholarship Commission. It is further recommended that the Illinois State Scholarship Commission expand eligibility of applicants for ISSC grants by decreasing the level of expected family contribution by income range."

This recommendation is consistent with recent trends at the federal and state levels whereby student grants are based on need. Clearly the goal of "availability of educational opportunity without regard to financial status" cannot be met without strong grant programs to aid lower income students in the payment of college costs. Since the General Assembly Scholarships are not consistent with this guideline, being non-needs based and not intended primarily for lower income students, the Committee has recommended their elimination.

Cognizance was also given to the need to alter the ISSC expected family contribution schedule whenever economic conditions necessitate its adjustment in order to maintain the availability of educational opportunity to all Illinois citizens. In as much as present economic conditions have placed a financial burden on many lower and middle income families, the Committee has recommended that the ISSC consider expanding the eligibility of applicants for ISSC grants by decreasing the level of expected family contribution by income range.

The goal which the Committee set forth in recommending the elimination of financial barriers to higher education prompted the following recommendation:

> "That the present Board policy limiting undergraduate institutional waivers to two percent of the institution's annual fall full-time equivalent undergraduate enrollment be closely monitored and strictly enforced through budgetary measures by Fiscal 1977."

Since a majority of the institutional waivers for undergraduate students are not based on need, a limitation of two percent is consistent with the Board's effort to keep non needs-based awards to a minimum. Although institutional waivers in some cases are awarded on the basis of academic ability or talent, the Committee feels that its strongest commitment must be to students who without assistance could not attend an institution.

By recommending that financial need should be the controlling element in the distribution of student aid, the Committee advised that those with the ability to pay college costs should do so. The Committee in its deliberations viewed non-repayable assistance to graduate students from a much different perspective than assistance to undergraduate students. The Study Committee on Tuition and Other Student Costs recommends to the Board of Higher Education:

> "That the State of Illinois not support, at this time, any additional efforts to initiate any student grant and tuition waiver programs for students at the graduate level."

This recommendation is based on the belief that society benefits more from a broader segment of its citizenry possessing an undergraduate education than from a much narrower segment possessing a graduate education. For instance, admission to graduate education is based in part, if not solely, on a student's academic merit and requirements are more stringent than at the undergraduate level. Aid to graduate students, largely through federal funding, has been consistent with admission policies in that grants are awarded on the basis of academic ability rather than financial need. For instance, many graduate students are selected to serve in junior faculty positions or as research assistants based on special aptitudes or abilities.

Due to the special mission of graduate education, the Committee felt that the responsibility which the federal government has assumed in awarding fellowships and traineeships to students in programs designed to meet manpower needs should be continued and not duplicated by the State. The primary state-supported aid programs for graduate students are the teaching and research assistantships in public universities. The Committee recognized the valuable training and experience that graduate students receive through assistantships and supported continuation of these programs.

However, the Committee felt it would be inconsistent to expect undergraduate students to pay tuition and fees if they are financially able to do so and not expect the same from graduate students who are not performing a service to the institution. Therefore, it felt institutional waivers to graduate students not serving in a teaching or research capacity should be discontinued. For graduate students not receiving but needing financial assistance, the Committee recommends the use of loans for payment of college costs since the benefits which a student will receive through increased income from an advanced degree far exceeds the amount of loans required.

Although the Committee commended the Illinois State Scholarship Commission for its efforts in distributing aid to financially needy students, it also sought a means of maximizing the opportunities offered by ISSC so that a larger number of current and potential students could benefit. Therefore, several recommendations and suggestions are offered to ISSC as a means of increasing access to higher education. The Study Committee on Tuition and Other Student Costs recommends:

> "That the Illinois State Scholarship Commission eliminate its practice of distributing partial awards for tuition and fees in blocks of $150, but rather distribute partial awards in an amount equal to the total amount of need shown according to the standardized needs analysis formula."

Current ISSC practice is such that if a student does not qualify for a maximum award-full tuition and mandatory fees up to a maximum of $1,350-his or her award is rounded down to the nearest multiple of $150. For instance, if a student is eligible for $448, he or she would receive an award of $300. If a stated purpose of the ISSC is to "equalize educational opportunity by removing financial barriers to college," the Committee strongly feels that a student meeting the minimum requirements of ISSC should be able to receive a partial award equal to the total amount of need calculated using the needs analysis formula.

The Committee was also concerned that an increasing number of ISSC Monetary Award winners are not accepting their awards. For example, during 1973-74 90,224 awards were announced, but only 72,246 awards or 80 percent were claimed by enrolled students. The Committee believes that annual surveys could provide information on the adequacy of student assistance programs in providing access to higher education, as well as information on why approximately 20 percent of the monetary award winners are not accepting their awards. Therefore, the Study Committee on Tuition and Other Student Costs recommends:

> "That the Illinois State Scholarship Commission conduct a yearly survey of non-acceptors of monetary awards in an effort to evaluate the program and its success in the fulfillment of stated objectives."

In addition to repayable and non-repayable assistance programs, student employment programs provide an important source of funds for students in financing their education. Although the student employment officers in public universities proposed increasing on-campus employment funds by approximately $6.0 million, the Committee found little justification for this proposal. With the exception of the College Work-Study program, student employment is not needs-based and the income levels of students employed are not available. It is impossible to monitor the number of students employed off-campus, however, it is assumed that in the metropolitan areas, such as Chicago, these numbers could be substantial. Due to the lack of data available concerning the need for additional state funding of student employment, the Committee was hesitant in recommending any additional funds for this purpose. However, individual campus assessments of the need for additional student employment opportunities are encouraged. Therefore, the Study Committee on Tuition and Other Student Costs recommends:

> "That student employment programs be considered as an important source of funds for students in meeting college costs and their continuation should be encouraged. However, any expansion of student employment programs requiring additional funding should be incorporated and justified in an institution's annual budget submission."

It is noted that no recommendations regarding the maximum award level or assistance to students in private institutions have been made. The Committee regarded these issues as more appropriate in the updating of the McConnell Commission Report. However, in an effort to emphasize the importance which the Study Committee on Tuition and Other Student Costs places on this issue, it recommends:

> "That the Board of Higher Education direct its attention to the necessity of increased state aid to private institutions of higher education to lessen the impact of inflation on their costs and help to assure their viability."

IV. CONCLUSION

The recommendations contained in this report and summarized below are set forth as a framework in which to plan for the future as dollar resources available are matched against the needs of students and institutions of higher education. As federal and state financial aid programs are altered, Board policy regarding tuition and financial aid must be continually reassessed to determine the potential impact on students who need financial assistance in attending postsecondary institutions. Thus, careful planning, monitoring of program changes and the ability to adapt to changing conditions must prevail if the students of Illinois are to be afforded postsecondary educational opportunities.

SUMMARY OF RECOMMENDATIONS

1. That tuition charges for resident, undergraduate students be maintained at a level of one-third of undergraduate instructional cost calculated on the appropriate system base. To this end, public university systems should raise undergraduate tuitions approximately on a proportional annual basis so that the one-third policy will be fully implemented no later than Fiscal 1980, provided that:

   a. The General Assembly and Governor increase funding of the Illinois State Scholarship Commission's Monetary Award Program and/or other programs to offset the impact of any proposed tuition increases on financially needy students,
   b. Full implementation of the one-third policy at any one system does not result in undergraduate tuition charges higher than undergraduate tuition charges at the University of Illinois, and
   c. In the calculation of undergraduate instructional costs to determine appropriate tuition charges, new institutions be excluded from the calculations during the first ten years of operation.

   Furthermore, following full implementation of the one-third policy by Fiscal 1980, tuition charges should be updated annually and applied in Board of Higher Education budget recommendations routinely thereafter.

2. That tuition charges for resident, graduate students be maintained at a level of 133 1/3 percent of the resident, undergraduate tuition charge at each system. To this end, public university systems should raise graduate tuitions to this level concurrently in relationship to increases in undergraduate tuition charges.

3. That the Board of Higher Education recommend to the appropriate governing boards that tuition levels for public schools of medicine, dentistry, and veterinary medicine be set at the following academic rates in Fiscal Year 1977 and adjusted in proportion to undergraduate tuition increases thereafter.

Medicine	$1,250
Dentistry	900
Veterinary Medicine	750

4. That tuition charges for non-resident, undergraduate students be maintained at a level of full instructional cost calculated on the appropriate system base and

tuition charges for non-resident, graduate students be maintained at a level of 133 1/3 percent of the non-resident, undergraduate tuition charge at each system. Furthermore, it is recommended that the Board of Higher Education consider entering into reciprocal tuition agreements with other states if such agreements prove to be fiscally sound.

5. That any proposed tuition increase be announced by the individual governing boards no later than the date of the required budget submission to the Board of Higher Education in order to provide students with sufficient opportunity to explore various means of financing the additional cost.

6. That the Illinois State Scholarship Commission bring any recommendations concerning the implementation of a direct state lending program before the Board of Higher Education for its information. Until such time as a feasibility study on direct state lending is completed by the Illinois State Scholarship Commission, the Board of Higher Education regards continuation of the present Illinois Guaranteed Loan Program, with possible modification, as an ongoing source of funds for students in need of loans. An effort should also be made to widen participation by additional lending institutions.

7. That the Illinois institutions of higher education, their governing boards and the Board of Higher Education give higher funding priority to the operation of student financial aid, counseling, and employment offices in an effort to increase their services to students in need of financial assistance, to increase their share of federal and state student aid resources presently available, and to honor their commitment to access to higher education.

   To this end, the Board of Higher Education should recommend a one-time $25,000 allocation for the implementation in all public universities of the computer-assisted financial aid management system developed at Illinois State University.

8. That the Board of Higher Education continue its efforts to develop a comprehensive data base for all sectors of Illinois higher education on information relating to total student cost, tuition and fees, and financial aid programs in order to monitor:

   a. changes in federal and state financial aid policies and their potential or actual impact on enrollments and the students' ability to meet college costs,
   b. changes in the unmet student cost between and within the public and private sectors of higher education,

c. the impact of tuition increases on enrollments and resulting changes in the distribution of students by family income, and

d. alterations in the unduplicated headcount of financial aid recipients within and among the various sectors of higher education.

This information is to be collected through the Annual Financial Aids Survey and Report published by the Board, state and federal reports, and any survey instruments deemed necessary by the Board staff. The information will be presented to the Board in an Annual Report for their consideration.

9. That the Board of Higher Education urge the General Assembly and Governor to vigorously support expansion of the federally-funded Basic Educational Opportunity Grant and College Work-Study programs.

10. That financial need should be the controlling element in the distribution of state-appropriated funds for student aid to undergraduate students in all sectors of Illinois higher education. To this end, it is recommended that the non-needs based General Assembly Scholarships be eliminated.

The Illinois State Scholarship Commission has incurred the major responsibility for the distribution of student aid based on need. It is recommended that any future increases in needs-based financial aid programs funded by the State be administered by the Illinois State Scholarship Commission. It is further recommended that the Illinois State Scholarship Commission expand eligibility of applicants for ISSC grants by decreasing the level of expected family contribution by income range.

11. That the present Board policy limiting undergraduate institutional waivers to two percent of the institution's annual fall full-time-equivalent undergraduate enrollment be closely monitored and strictly enforced through budgetary measures by Fiscal 1977.

12. That the State of Illinois not support, at this time, any additional efforts to initiate any student grant and tuition waiver programs for students at the graduate level.

13. That the Illinois State Scholarship Commission eliminate its practice of distributing partial awards for tuition and fees in blocks of $150, but rather distribute partial awards in an amount equal to the total amount of need shown according to the standardized needs analysis formula.

14. That the Illinois State Scholarship Commission conduct a yearly survey of non-acceptors of monetary awards in an effort to evaluate the program and its success in the fulfillment of stated objectives.

15. That student employment programs be considered as an important source of funds for students in meeting college costs and their continuation should be encouraged. However, any expansion of student employment programs requiring additional funding should be incorporated and justified in an institution's annual budget submission.

16. That the Board of Higher Education direct its attention to the necessity of increased state aid to private institutions of higher education to lessen the impact of inflation on their costs and help to assure their viability.

STATE OF ILLINOIS
BOARD OF HIGHER EDUCATION

Master Plan-Phase IV
Tuition and Other Student Costs

A
Supporting Document

APRIL, 1975

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PREFACE

This document was prepared to accompany the Position Paper of the Study Committee on Tuition and Other Student Costs. Its purpose is to provide additional background which relates to the recommendations. Although this document reflects the majority opinion of the Committee, individual Committee members may not support each position or may have employed different rationale for supporting the recommendations than is contained in the document.

I. INTRODUCTION

The Study Committee on Tuition and Other Student Costs was created by the Board of Higher Education, State of Illinois, on February 5, 1974 for the purpose of reviewing the role of tuition in the financing of higher education. In particular, the Committee was directed to devise a plan for maintaining currency between instructional costs for undergraduate students and tuition charges and to examine appropriate tuition charges for graduate and professional studies. Although the Board in its action on December 4, 1973 reaffirmed a previous policy adopted in December, 1970 which stated that public senior universities should maintain tuition charges at a level of one third of undergraduate instructional cost calculated on the appropriate system base, the Committee was granted flexibility to re-examine the appropriateness of this policy and consider any aspect of the tuition question.

Early in its deliberations, the Committee recognized that its charge had been narrowly defined. It became apparent that the ability of a student to finance his or her education encompasses many factors which are not directly related to tuition but which may prevent a student from obtaining a post-secondary education. Therefore, the Committee requested that its charge be broadened to include other costs that students must assume in their efforts to obtain a postsecondary education. As stated in the Board's action of May 7, 1974, the expanded charge to the Committee was as follows:

> "Be it resolved that the Board of Higher Education affirm that the special Board Committee appointed at the February 1974 meeting to study tuition policy is not limited solely to consideration of policies on tuition for public senior universities, but should consider all aspects of the cost to students of access to higher education opportunities, both public and nonpublic. To reflect the broad charge, the Committee shall be known as the Study Committee on Tuition and Other Student Costs. The Committee may make separate recommendations as appropriate and from time to time on policies relating to undergraduate costs and charges, graduate and professional program costs and charges, student financial aid, differential tuitions and charges among programs and campuses, such non-financial determinants of access as may be appropriate to financial policy recommendations and other relevant subjects."

In fulfilling this charge, the Committee solicited views regarding access to higher education during two public hearings, requested special analytical studies covering a wide range of topics, reviewed current national reports recommending specific tuition and financial aid plans, and sought the viewpoints and recommendations of other state agencies involved in the study of financing and access to higher education. The Committee and staff are deeply indebted to the staff of the Illinois State Scholarship Commission and Illinois Economic and Fiscal Commission for their cooperation and timely advice and reports during the Committee's deliberations, as well as individuals on various campuses who provided insight into the operation of financial aid offices. A more complete listing of the proceedings of the Study Committee on Tuition and Other Student Costs can be found in Appendix A.

Following a careful review of the major points addressed at the public hearings, the Committee realized that many of the questions raised encompassed subjects that were either outside the control of the Board, demanded technical expertise, or required study from a broader perspective than the charge to the Committee allowed. For instance, the technical expertise of the Health Education Commission of the Board was sought in the review of the role of tuition in the professional programs of medicine, dentistry, and veterinary medicine. Since the Committee's charge was a broad one, certain questions concerning community colleges, private institutions, and proprietary schools will be addressed by other committees and studies during the master planning process.

In the fulfillment of its charge, the Committee reviewed the existing Board policy regarding tuition rates at public universities to determine whether they were still appropriate. This review consisted of identifying any changing trends in higher education since the adoption of a tuition policy in December, 1970. The impact of such changes on the present policy was considered in order to determine whether the need existed for the adoption of a new tuition policy. Among the changing trends in Illinois higher education identified by the Committee were the following:

1. Movement toward enrollment stabilization in some sectors.
2. A changing postsecondary student mix.
3. Priorities regarding federal support for postsecondary education.
4. Priorities regarding state support for higher education.

A notable change since the adoption of the Board's tuition policy in 1970 has been a movement toward enrollment stabilization in some sectors. As reflected in Table 1, the increase in access to higher education in Illinois during

TABLE 1

ENROLLMENT TREND DATA
On-Campus Headcount Degree Credit Enrollments
Fall 1958 to Fall 1974(1)

Year	Public Universities	(2)	Public Community Colleges	(2)	Private Institutions	(2)	All Institutions	(2)
1958	54,630	(100.0)	25,854	(100.0)	100,314	(100.0)	180,798	(100.0)
1959	57,814	(105.8)	27,856	(107.7)	100,471	(100.2)	186,141	(103.0)
1960	64,283	(117.7)	31,963	(123.6)	103,846	(103.5)	200,092	(110.7)
1961	70,921	(129.8)	38,022	(147.1)	107,885	(107.6)	216,828	(119.9)
1962	76,970	(140.9)	42,698	(165.2)	111,793	(111.4)	231,461	(128.0)
1963	84,646	(154.9)	44,450	(171.9)	114,879	(114.5)	243,975	(134.9)
1964	93,896	(171.9)	52,518	(203.1)	121,199	(120.8)	267,613	(148.0)
1965	106,404	(194.8)	62,253	(240.8)	126,313	(125.9)	294,970	(163.2)
1966	116,502	(213.3)	66,080	(255.6)	131,674	(131.3)	314,256	(173.8)
1967	127,617	(233.6)	81,295	(314.4)	134,468	(134.1)	343,380	(189.9)
1968	143,611	(262.9)	100,410	(388.4)	134,188	(133.8)	378,209	(209.2)
1969	155,490	(284.6)	119,247	(461.2)	133,578	(133.2)	408,315	(225.8)
1970	169,424	(310.1)	137,834	(533.1)	131,529	(131.1)	438,787	(242.7)
1971	168,378	(308.2)	158,438	(612.8)	131,602	(131.2)	458,418	(253.6)
1972	167,373	(306.4)	170,162	(658.2)	128,832	(128.4)	466,367	(258.0)
1973	166,705	(305.2)	196,278	(759.2)	129,878	(129.5)	492,861	(272.6)
1974	169,127	(309.6)	233,069	(901.5)	133,217	(132.8)	535,413	(296.1)

(1) Source of data prior to 1973 is: Enrollment in Institutions of Higher Learning in Illinois, Froehlich, G.J. 1973 and 1974 data is from BHE Fall Enrollment Survey.

(2) Numbers in ( ) refer to cumulative percentage increases from a base year of 1958.

the past sixteen years has been phenomenal. During the period 1958 to 1974, on-campus headcount degree credit enrollment in the collegiate sector has increased 196.1 percent. However, most of this growth has occurred in the public university and community college sectors while the enrollment growth in the private sector has shown a modest 32.8 percent increase. While enrollments continue to grow in the public community college sector, enrollments in the public university and private sectors appear to be stabilizing. Between Fall, 1970 and Fall, 1974, enrollments in the public university sector have declined 0.5 percent and enrollments in the private sector have increased by 1.7 percent. If national projections for enrollment growth during the 1970's and 1980's hold true for Illinois, we can expect on-campus enrollments to increase during the 1970's, but at a rate much reduced from that of the 1960's. During the 1980's, on-campus enrollments in the traditional collegiate age group (18-21) are likely to decline.

Many factors have contributed to the enrollment stabilization in some sectors. Among these are declining birth rates and a stabilization in the percentage of the traditional collegiate age group (18-21) attending postsecondary institutions. Table 2 reveals that total headcount enrollment in the collegiate sector as a percentage of the 18-21 year old population in Illinois has remained fairly stable between Fall, 1971 and Fall, 1974, increasing by only 0.6 percent.

Table 2 also points up mixed or differing enrollment trends. While total headcount enrollments in the college sector as a percentage of the 18-21 year old population in Illinois have stabilized since Fall, 1971, total enrollments since that period have increased by 42.5 percent. This phenomenon is partially due to a changing postsecondary student mix. Although historical data are not available for age, race, and sex of students enrolled in higher education, many institutions report an increase in the number of older persons, minorities and women enrolled. Since the 18-21 year old population increased by 15.7 percent between Fall, 1971 and 1973 and higher education enrollments increased by 19.0 percent during this period, it is apparent that an increasing number of older persons are availing themselves of postsecondary opportunities.

Another changing trend in Illinois higher education appears to be in the level of federal funding received for various postsecondary education programs. It is recognized that changing national priorities have impacted and will continue to impact Illinois higher education. For instance, the decline in federal dollars for institutional programs, capital projects, and graduate education has impacted a

TABLE 2

Higher Education Enrollments and Population,
State of Illinois, Fall, 1966 Through Fall, 1974

Population	Fall, 1965	Fall, 1966	Fall, 1967	Fall, 1968	Fall, 1969	Fall, 1970	Fall, 1971	Fall, 1972	Fall, 1973	Fall, 1974
Total Population	10,650,000	10,715,000	10,955,000	11,039,000	11,114,000	11,182,000	11,244,000	11,236,000	11,250,000	11,250.000
18-21 Year Old Population	622,500	659,500	696,000	689,000	727,000	743,000	766,000	790,000	816,000	835,000
Percentage of 18-21 Year Old Population to total Population	5.85%	6.15%	6.35%	6.24%	6.54%	6.64%	6.81%	7.03%	7.25%	7.43%
Fall Enrollments - On Campus										
Headcount-Total All Higher Education	294,970	314,256	343,380	378,209	408,315	438,737	458,418	466,367	492,861	535,413
Public Universities	106,404	116,502	127,617	143,611	155,490	169,424	168,378	167,373	166,706	169,127
Public Community Colleges	62,253	66,080	81,295	100,410	119,247	137,834	158,438	170,162	196,278	233,069
Total-Public Higher Education	168,657	182,582	208,912	244,021	274,737	307,258	326,816	337,535	362,984	402,196
Total-Nonpublic Higher Education	126,313	131,674	134,468	134,188	133,578	131,529	131,602	128,832	129,878	133,217
Percent of Total Headcount Enrollment to 18-21 Year Old Population	32.0%	47.7%	49.3%	54.9%	56.2%	59.0%	59.8%	59.0%	60.4%	60.4%

Source: Enrollment in Institutions of Higher Learning in Illinois, 1973. By Froehlich and U.S. Census Reports. Estimates for fiscal year 1975 were compiled by Board staff.

number of public and private institutions. On the other hand, the reductions in direct institutional support have been accompanied by increases in federally-funded student based financial aid programs. The Committee was supportive of federal efforts to assist needy students in the payment of college costs since these programs provide needy students with opportunities for a postsecondary education which would not be available without such assistance and allow for student choice among institutions.

The Committee also considered whether there are any changing trends in state support for higher education. Table 3 reflects increases of 563.5 percent and 752.0 percent in total General Revenue Fund Expenditures and Expenditure for Operation and Grants for higher education during the period of Fiscal 1958 to 1975. It is recognized that many factors have contributed to the significant growth in expenditures for higher education. Among these factors were the opening of two new public upper-division institutions, programmatic expansion and alterations in university missions within the public sector, establishment of the community college system, increased allocations to the Illinois State Scholarship Commission and the establishment of the Illinois Financial Assistance Act for Non-Public Institutions.

The most obvious concern expressed in the Board of Higher Education's FY1976 recommendations is the need to offset the effects of inflation upon institutional resources. The cost of goods and services purchased by higher education institutions has increased due to inflation. Therefore, salary and general price increases of ten and nine percent, respectively, were recommended.

It is obviously difficult to predict the state of the economy during FY1976 or beyond. It is also difficult to predict whether the effects of inflation will cause the State to redirect resources to purposes other than higher education. Clearly, one of the challenges of FY1976 and beyond will be to prevent erosion of higher education funding by an inflationary economy.

Throughout its deliberations, the Committee was aware of the impact that changing trends in higher education may have on educational opportunity. An important goal of the Board of Higher Education has been to insure the "availability of educational opportunity without regard to financial status and the elimination of financial barriers to higher education."[1] The goal of educational opportunity must complement

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[1] Report of the Tuition Study Committee, Board of Higher Education, December 1973, p. 2.

TABLE 3

State Expenditures for Higher Education

(in millions of dollars)

	A		B	
Fiscal Year	Total GRF Expenditures for Higher Education		GRF Expenditures for Operations and Grants	
1958	$ 99.7	(100.0)[2]	$ 71.5	(100.0)[2]
1959	79.5	(79.7)	74.3	(103.9)
1960	95.3	(95.6)	91.4	(127.8)
1961	99.3	(99.6)	93.5	(130.8)
1962	114.4	(114.7)	108.0	(151.1)
1963	130.7	(131.1)	120.0	(167.8)
1964	159.0	(159.5)	140.1	(195.9)
1965	166.9	(167.4)	150.1	(209.9)
1966	217.6	(218.3)	192.5	(269.2)
1967	257.6	(258.4)	222.8	(311.6)
1968	326.2	(327.2)	274.2	(393.5)
1969	374.3	(375.4)	316.0	(442.0)
1970	460.8	(462.2)	401.9	(562.1)
1971	536.1	(537.7)	461.7	(645.7)
1972	531.5	(533.1)	470.9	(658.6)
1973	567.9	(569.6)	509.9	(713.2)
1974	612.3	(614.1)	560.9	(784.5)
1975[1]	661.5	(663.5)	609.2	(852.0)

A. Expenditures for university operations, junior colleges, retirement contributions, grants to private institutions and health education programs, Illinois State Scholarship Commission, Board of Higher Education, and capital outlay including debt service.

B. Expenditures as above excluding direct capital outlay and debt service.

(1) Column B reflects appropriations for operations and grants.

(2) Numbers in ( ) reflect cumulative percentage increases from a base year of Fiscal 1958.

rather than compete with institutional resource requirements in the future.

The Committee was cognizant of changing trends in higher education since the adoption of a tuition policy in December, 1970. The recommendations summarized below reflect these changing conditions. Chapters 2 and 3 provide further insight into the rationale underlying these recommendations.

Summary of Recommendations

1. That tuition charges for resident, undergraduate students be maintained at a level of one-third of undergraduate instructional cost calculated on the appropriate system base. To this end, public university systems should raise undergraduate tuitions approximately on a proportional annual basis so that the one-third policy will be fully implemented no later than Fiscal 1980, provided that:

   a. The General Assembly and Governor increase funding of the Illinois State Scholarship Commission's Monetary Award Program and/or other programs to offset the impact of any proposed tuition increases on financially needy students,
   b. Full implementation of the one-third policy at any one system does not result in undergraduate tuition charges higher than undergraduate tuition charges at the University of Illinois, and
   c. In the calculation of undergraduate instructional costs to determine appropriate tuition charges, new institutions be excluded from the calculations during the first ten years of operation.

   Furthermore, following full implementation of the one-third policy by Fiscal 1980, tuition charges should be updated annually and applied in Board of Higher Education budget recommendations routinely thereafter.

2. That tuition charges for resident, graduate students be maintained at a level of 133 1/3 percent of the resident, undergraduate tuition charge at each system. To this end, public university systems should raise graduate tuitions to this level concurrently in relationship to increases in undergraduate tuition charges.

3. That the Board of Higher Education recommend to the appropriate governing boards that tuition levels for public schools of medicine, dentistry, and veterinary medicine be set at the following academic rates in Fiscal Year 1977 and adjusted in proportion to undergraduate tuition increases thereafter.

Medicine	$1,250
Dentistry	900
Veterinary Medicine	750

4. That tuition charges for non-resident, undergraduate students be maintained at a level of full instructional cost calculated on the appropriate system base and tuition charges for nonresident, graduate students be maintained at a level of 133 1/3 percent of the non-resident, undergraduate tuition charge at each system. Furthermore, it is recommended that the Board of Higher Education consider entering into reciprocal tuition agreements with other states if such agreements prove to be fiscally sound.

5. That any proposed tuition increase be announced by the individual governing boards no later than the date of the required budget submission to the Board of Higher Education in order to provide students with sufficient opportunities to explore various means of financing the additional cost.

6. That the Illinois State Scholarship Commission bring any recommendations concerning the implementation of a direct state lending program before the Board of Higher Education for its information. Until such time as a feasibility study on direct state lending is completed by the Illinois State Scholarship Commission, the Board of Higher Education regards continuation of the present Illinois Guaranteed Loan Program, with possible modification, as an ongoing source of funds for students in need of loans. An effort should also be made to widen participation by additional lending institutions.

7. That the Illinois institutions of higher education, their governing boards and the Board of Higher Education give higher funding priority to the operation of student financial aid, counseling, and employment offices in an effort to increase their services to students in need of financial assistance, to increase their share of federal and state student aid resources presently available, and to honor their commitment to access to higher education.

   To this end, the Board of Higher Education should recommend a one-time $25,000 allocation for the implementation in all public universities of the computer-assisted financial aid management system developed at Illinois State University.

8. That the Board of Higher Education continue its efforts to develop a comprehensive data base for all sectors of

Illinois higher education on information relating to total student cost, tuition and fees, and financial aid programs in order to monitor:

a. changes in federal and state financial aid policies and their potential or actual impact on enrollments and the students' ability to meet college costs,
b. changes in the unmet student cost between and within the public and private sectors of higher education,
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d. alterations in the unduplicated headcount of financial aid recipients within and among the various sectors of higher education.

This information is to be collected through the Annual Financial Aids Survey and Report published by the Board, state and federal reports, and any survey instruments deemed necessary by the Board staff. The information will be presented to the Board in an Annual Report for their consideration.

9. That the Board of Higher Education urge the General Assembly and Governor to vigorously support expansion of the federally-funded Basic Educational Opportunity Grant and College Work-Study programs.

10. That financial need should be the controlling element in the distribution of state-appropriated funds for student aid to undergraduate students in all sectors of Illinois higher education. To this end, it is recommended that the non-needs based General Assembly scholarships be eliminated.

The Illinois State Scholarship Commission has incurred the major responsibility for the distribution of student aid based on need. It is recommended that any future increases in needs-based financial aid programs funded by the State be administered by the Illinois State Scholarship Commission. It is further recommended that the Illinois State Scholarship Commission expand eligibility of applicants for ISSC grants by decreasing the level of expected family contribution by income range.

11. That the present Board policy limiting undergraduate institutional waivers to two percent of the institution's annual fall full-time-equivalent undergraduate enrollment be closely monitored and strictly enforced through budgetary measures by Fiscal 1977.

12. That the State of Illinois not support, at this time, any additional efforts to initiate any student grant and tuition waiver programs for students at the graduate level.

13. That the Illinois State Scholarship Commission eliminate its practice of distributing partial awards for tuition and fees in blocks of $150, but rather distribute partial awards in an amount equal to the total amount of need shown according to the standardized needs analysis formula.

14. That the Illinois State Scholarship Commission conduct a yearly survey of nonacceptors of monetary awards in an effort to evaluate the program and its success in the fulfillment of stated objectives.

15. That student employment programs be considered as an important source of funds for students in meeting college costs and their continuation should be encouraged. However, any expansion of student employment programs requiring additional funding should be incorporated and justified in an institution's annual budget submission.

16. That the Board of Higher Education direct its attention to the necessity of increased state aid to private institutions of higher education to lessen the impact of inflation on their costs and help to assure their viability.

II. TOTAL STUDENT COST

The responsibility for meeting postsecondary educational costs is shared by the student, his or her parents, private donors, and taxpayers through various levels of government. This pattern of financing reflects the philosophy that education benefits both the individual and society. However, of immediate concern to students and/or their parents is the out-of-pocket cost incurred in attending a postsecondary institution. This out-of-pocket cost is frequently referred to as the student budget. The expense budget for the typical student at a postsecondary institution is composed of four principal parts: tuition, fees, room and board, and other miscellaneous expenses.

Student budgets, as prepared by institutions and related state and federal agencies, represent "average" costs to the student of attendance rather than the varying spending habits of individual students. These budgets are prepared to aid students and their parents in making plans about financing a college education and to aid in the distribution of financial aid, since college costs are a factor in determining a student's financial need. The following table shows the average student budget for public and private two and four year institutions for the 1974-75 academic year nationwide:[2]

Type of Institution	Tuition & Fees	Other College Costs	Total College Costs
Public 2 year	$ 287	$1,866	$2,153
Public 4 year	541	1,859	2,400
Private 2 year	1,578	2,039	3,617
Private 4 year	2,080	1,959	4,039

In order to provide a comparison of the Illinois situation to national averages, the following table shows the average student budget for public and private two and four year institutions in Illinois for the 1974-75 academic year:[3]

Type of Institution	Tuition & Fees	Other College Costs	Total College Costs
Public 2 year	$ 331	$1,850	$2,181
Public 4 year	621	1,898	2,510
Private 2 year	1,413	1,966	3,379
Private 4 year	2,138	1,863	4,001

[2] *Student Expenses at Postsecondary Institutions, 1974-75*, College Scholarship Service, p. 6.

[3] *1974 Illinois State Scholarship Commission Report*, p. 25.

The student budgets for Illinois institutions, as shown above, are based on standard living budgets and institutional charges as determined by the Illinois State Scholarship Commission for calculating student need. In comparing the above two tables, the Illinois student budgets do not appear to be out of line with the national averages. In the public university sector the costs to Illinois students are somewhat higher than the national average, however, only by a factor of 4.6 percent. Since national figures include many states which make less substantial efforts towards aiding students in meeting college costs, the Committee's belief was reinforced that student costs in Illinois are not excessive.

The estimated average price or cost to the student by sector in Illinois for selected years reveals several important characteristics as shown in Table 4. In each sector the average price to the student has almost doubled during the period Fiscal 1959 to Fiscal 1975. Although the percentage increase in other college costs has remained fairly consistent between sectors, the percentage increase for tuition and fees has varied greatly among sectors. The most dramatic increase in tuition and fees during this period occurred in the public university sector. However, tuition and fee charges in the private sector remain 232.2 percent higher than charges in the public university sector. Since the rate of inflation has been substantial in recent years, an index was constructed to reflect real dollar increases in student budgets during the period Fiscal 1959 to Fiscal 1975. The GNP Implicit Price Deflator was used to construct the index and the results are shown in Table 5. In summary, the increase in student budgets during this period in real dollars has been 12.4 percent in the public universities, 17.6 percent in the public community colleges, and 23.7 percent in the private sector.

The remaining portion of this chapter is devoted to a review of one principal component of the student budget: tuition. Although recommendations concerning student fees, room and board, and other expenses lie outside the control of the Board of Higher Education, these expenses must be considered in the review of tuition policies since tuition increases affect both the total college budget and the student's ability to pay college costs.

Of primary concern to the Committee was the role of tuition within the context of total student costs since part of the statutory responsibility of the Board of Higher Education is to review tuition rates in the public university sector. The Board's responsibility as stated

TABLE 4

Estimated Average Price to the Student by Sector and Selected Years

	Tuition and Fees (Weighted Average)		Other College Costs		Total College Costs	
Public University						
1958-59	164	(1)	1096	(1)	1260	(1)
1964-65	218	(32.9)	1302	(18.8)	1520	(20.6)
1969-70	344	(109.8)	1675	(52.8)	2019	(60.2)
1970-71	434	(164.6)	1725	(57.4)	2159	(71.4)
1974-75	612	(273.2)	1898	(73.2)	2510	(99.2)
Public Community Colleges						
1958-59	28		1018		1046	
1964-65	55	(96.4)	1302	(27.9)	1357	(29.7)
1969-70	173	(517.9)	1675	(64.5)	1848	(76.7)
1970-71	201	(617.9)	1725	(69.5)	1926	(84.1)
1974-75	331	(1082.1)	1850	(81.7)	2181	(108.5)
Private Institutions						
1958-59	710		1069		1779	
1964-65	1083	(52.5)	1302	(21.8)	2385	(34.1)
1969-70	1572	(121.4)	1675	(56.7)	3247	(82.5)
1970-71	1762	(148.2)	1725	(61.4)	3487	(96.0)
1974-75	2033	(186.3)	1868	(74.7)	3901	(119.3)

(1) Numbers in ( ) reflect cumulative percentage increase from a base year of 1958-59.

SOURCE: Illinois State Scholarship Commission Staff

TABLE 5
Estimated Average Price to the
Student by Sector and Selected Years
Deflated to 1958 Dollars(1)

	Tuition and Fees (Weighted Average)	Other College Costs	Total College Costs
Public University			
1958-59	100.0	100.0	100.0
1964-65	119.9	107.1	108.8
1969-70	159.2	115.9	121.6
1970-71	190.8	113.5	123.5
1974-75	210.5	97.7	112.4
Public Community College			
1958-59	100.0	100.0	100.0
1964-65	177.1	115.3	116.9
1969-70	368.8	124.8	134.1
1970-71	417.6	122.2	132.8
1974-75	566.8	102.5	117.6
Private Institutions			
1958-59	100.0	100.0	100.0
1964-65	137.5	109.8	120.9
1969-70	167.9	118.9	138.5
1970-71	178.9	116.3	141.3
1974-75	161.5	98.6	123.7

(1) Based on the GNP Implicit Price Deflator

in the Board of Higher Education Enabling Act is as follows:

> "The Board, in the analysis of formulating the biennial budget requests, shall consider rates of tuition and fees at the state universities and colleges."

The Committee was directed in its charge to examine appropriate tuition rates for students at the undergraduate, graduate, and professional levels. An examination of professional program costs and charges resulted in the Committee concentrating on appropriate tuition charges for three high-cost professional programs: medicine, dentistry, and veterinary medicine. The Committee is indebted to the Health Education Commission and staff for its analysis of the costs and benefits of the three health professions education programs which led to the recommendations contained in this report.

In analyzing the best means of fulfilling its charge, the Committee outlined several procedures to be followed in the review of appropriate tuition rates. The first task was a review of the present tuition policy and the factors which led to its adoption. Secondly, as a result of the opinions expressed at public hearings, the Committee identified various factors which need to be addressed in the development of a tuition policy for either undergraduate, graduate, or professional level students. Finally, the Committee weighed various tuition alternatives against the factors considered important in the development of a tuition policy. A detailed summary of the Committee's procedures, findings, and recommendations follows.

The present Board policy regarding tuition rates for undergraduate and graduate students at public universities clearly states that "public senior universities should maintain tuition charges at a level of one-third of instructional cost calculated on the appropriate system base." The policy was adopted by the Board on December 1, 1970, and was implemented by all of the governing board systems by the 1972-73 academic year. Therefore, current tuition charges reflect this Board policy in respect to the 1968-69 Unit Cost Study, which was used in determining instructional cost. In practice, "undergraduate" instructional cost, as defined by the Unit Cost Study Procedure, was used to calculate the appropriate charges. This procedure yielded the current tuition charges in effect in all systems since the Fall of 1972, as shown below:

System	Resident	Non-Resident
Board of Governors	$420	$1,266
Board of Regents	404	1,065
Southern Illinois University	429	1,287
University of Illinois		
Chicago Circle Campus	495	1,485
Medical Center Campus	495-882	1,485-1,872
Urbana Campus	496	1,486

At current tuition levels, the revenue generated from tuition charges at public universities amounted to approximately $62.0 million in Fiscal 1974. Of this amount, approximately $18.5 million was provided by the Illinois State Scholarship Commission for monetary award winners enrolled in the public university sector. Since students also receive grants from other federal and state sources which can be used for the payment of tuition, it is difficult to determine what portion of the $62.0 million generated from tuition charges was paid directly by students and/or their parents. Excluding the revenue generated from ISSC grants to students in the public university sector, it appears that tuition revenues amounted to less than $43.5 million or 11.6 percent of the total appropriation for Operations and Grants for public universities in Fiscal 1974.

The determination of appropriate tuition charges for the three health professions education programs has historically been the sole responsibility of the appropriate governing boards. The current annual tuition levels in the Illinois public schools (adjusted to a nine-month academic year) are as follows:

	University of Illinois	Southern Illinois University
Medicine	$ 882	$ 429
Dentistry	783	429
Veterinary Medicine	496	

At current tuition levels, students in medicine pay about $1.1 million annually in tuition; dental students pay about $0.5 million, and veterinary medicine students pay less than $0.2 million in tuition. Therefore, the tuition presently received from students in these schools totals less than $2.0 million or about 5 percent of the educational cost of these programs.

Although the Board of Higher Education has not previously recommended any specific tuition policies related to these programs, its commitment to the expansion of the production of trained health professional manpower and regionalization of the educational programs has been substantial. Since 1970, direct and indirect state expenditures for undergraduate medical education in the public universities have increased from $15 million to over $25 million annually for operating expenses. In addition, over $30 million in capital projects has been expended or committed to university-owned facilities for the new medical schools in Peoria, Rockford, Urbana-Champaign, Springfield, and Carbondale. Also, approximately $20 million has been earmarked for clinical facilities for these new schools. While the total price tag for the expansion of medical education in Illinois is smaller than what it has been in several other states, there is no escaping the conclusion that medical education is expensive. While not of the same order of dollar magnitude as medical education, both dental and veterinary medical education are expensive programs to provide. Both the costs of these programs and the rate of return on the student's investment prompted the Committee to review the need for a tuition policy related solely to these three programs.

As part of its review of tuition at public universities, the Committee identified several factors which should be considered in the development of a tuition policy for undergraduate, graduate, and professional level students at public universities. Among these factors are:

1. Relationship of Tuition to Instructional Cost
2. Relationship of Tuition to Total Student Cost
3. Relationship between Tuition at Public Universities and Private Institutions
4. Relationship between Tuitions at Public Universities and Community Colleges
5. Relationship between Tuition at Public Universities and Out-of-State Institutions
6. Relationship between Student and Taxpayer Support of Higher Education

The relationship of tuition to instructional cost took on greater importance in 1970 with the adoption of a tuition policy based on one-third of instructional cost. Instructional cost, based on standardized Unit Cost Study Procedures, is composed of several components, the most significant being Direct Instruction.

Instructional cost was used to determine tuition rates because it most closely resembles the actual cost of educating a student. Factors such as capital expenditures, student aid, research activities, retirement contributions, and other student services are not included in the calculation of instructional cost because they cannot be equitably distributed among all students and they do not relate directly to the instruction a student is receiving. A more complete discussion of Unit Cost Study Procedures is contained in Appendix B.

Table 6 indicates the percentage of instructional cost that undergraduate and graduate students have paid from 1968 to 1973. The rapid increase in the percentage of instructional costs that students paid during the academic years 1971-72 and 1972-73 reflects implementation of the one-third of instructional cost policy, based on the 1968-69 Unit Cost Study. Although a student contribution of one-third of undergraduate instructional cost was not fully achieved in any system, this can not be expected due to a lag in reporting instructional costs caused by unit cost studies being submitted upon completion of the academic year. For example, the 1968-69 Unit Cost Study was the most recent cost study which was available to the Board in 1970 for the calculation of appropriate tuition charges. A more recent Unit Cost Study, 1972-73, reveals that undergraduate instructional costs by system have increased since 1968-69 by the following amounts:

21.4%	Board of Governors
28.6%	Board of Regents
28.9%	Southern Illinois University
7.0%	University of Illinois

While tuitions have remained constant at the level of the 1968-69 Unit Cost Study, instructional costs have increased significantly in several systems. Since the tuition increases were implemented during the academic years 1971-72 and 1972-73, the percentage of the instructional costs which students pay has declined and will continue to decline as long as costs increase and tuitions remain constant. These increases in costs have been assumed entirely by the State.

While the calculation of instructional costs for undergraduate and graduate programs in Illinois has been standardized and become somewhat routine, a determination of either the instructional or educational costs for the programs of medicine, dentistry, and veterinary

TABLE 6

TUITION A PERCENTAGE OF INSTRUCTIONAL COST(1) 1968-74

SYSTEM	1968-69	1969-70	1970-71	1971-72	1972-73
BOARD OF GOVERNORS					
Undergraduate					
Tuition Charge	120	195(62.5)	295(145.8)	345(187.5)	420(250.0)
Instructional Cost	1266	1366(7.9)	1426(12.6)	1375(8.6)	1537(21.4)
Percentage	9.5	14.3	20.7	25.1	27.3
Graduate					
Tuition Charge	120	195(62.5)	295(145.8)	345(187.5)	420(250.0)
Instructional Cost	2154	2276(5.7)	2359(9.5)	2460(14.2)	2911(35.1)
Percentage	5.6	8.6	12.5	14.0	14.4
BOARD OF REGENTS					
Undergraduate					
Tuition Charge	120	195(62.5)	270(125.0)	404(236.7)	404(236.7)
Instructional Cost	1211	1304(7.7)	1429(18.0)	--	1557(28.6)
Percentage	9.9	14.9	18.9	--	25.9
Graduate					
Tuition Charge	120	195(62.5)	270(125.0)	404(236.7)	404(236.7)
Instructional Cost	3122	3173(1.6)	3495(11.6)	--	4061(30.1)
Percentage	3.8	6.2	7.7	--	9.9
SOUTHERN ILLINOIS UNIVERSITY					
Undergraduate					
Tuition Charge	126	201(59.5)	301(138.9)	429(240.5)	429(240.5)
Instructional Cost	1289	1379(6.9)	1586(23.1)	1490(15.6)	1661(28.9)
Percentage	9.8	14.6	18.9	28.8	25.8
Graduate					
Tuition Charge	126	201(59.5)	301(138.9)	429(240.5)	429(240.5)
Instructional Cost	3917	3905(-0.3)	4889(24.8)	4306(9.9)	4901(25.1)
Percentage	3.2	5.2	6.2	9.9	8.8
UNIVERSITY OF ILLINOIS					
Undergraduate					
Tuition Charge	170	246(44.7)	321(88.8)	396(132.9)	496(191.8)
Instructional Cost	1486	1569(5.6)	1595(7.3)	1569(5.6)	1590(7.0)
Percentage	11.4	15.7	20.1	25.2	31.2
Graduate					
Tuition Charge	170	246(44.7)	321(88.8)	396(132.9)	496(191.8)
Instructional Cost	3535	4002(13.2)	4212(19.2)	4154(17.5)	4206(18.9)
Percentage	4.8	6.2	7.6	9.5	11.8

(1) Numbers in ( ) reflect cumulative percentage increases from a base year of 1968-69.

medicine is much more complex. Patient care and research activities are essential components of instruction in the health professions education programs. While the exact proportion of research and patient care expenditures essential to a student's education is subject to some disagreement, available evidence provides reasonable estimates of the educational costs of these programs.

The Institute of Medicine (IOM) of the National Academy of Sciences has recently concluded an education cost study for eight health occupation professions, including medicine, dentistry, and veterinary medicine. These costs are summarized in Table 7. The IOM-reported figures do not reflect the total cost associated with the educational programs, since only a part of the research and patient-care expenditures are included in the estimates. The American Association of Medical Colleges, in a report issued in 1973, has given a range of $16,000 to $26,000 for the annual cost of training a medical student. This study also purports to include only part of the research and service costs typically borne by a medical school.

Using an annual figure of $20,000 per medical student, $10,000 per dental student, and $8,000 per veterinary medicine student, it appears that students are paying between 2.2 and 7.8 percent of the educational costs for these programs in Illinois public universities. These figures do not include capital costs associated with the educational programs.

Another important consideration by the Committee was the relationship of tuition to total student cost. Table 8 depicts tuition as a percentage of student cost by individual university campus for the period 1968 to 1973. Although tuition as a percentage of total student cost has increased during this period, tuition increases have not caused more than a 10 percent increase in total student cost during this period. Current tuition rates still represent less than 20 percent of the total costs incurred by undergraduate and graduate students attending Illinois public universities. Based on the average student budget at public universities ($2,510), even a $100 increase in tuition would result in less than a 4 percent increase in total student cost. By looking at the tuition charges in comparison to total student cost figures, the relationship of tuition is placed in clearer perspective as a much less significant charge to students than other costs. Coupled with the Illinois State Scholarship Commission's Monetary Award Program, tuition by itself should not provide a barrier to student

TABLE 7

AVERAGE ANNUAL EDUCATION COSTS PER STUDENT, 1972-73

	Instructional Activities	Patient Care and Research Activities Essential to Education	Total
Medicine	$7,650	$5,000	$12,650
Dentistry	8,000	1,050	9,050
Veterinary Medicine	6,700	800	7,500

Source: "Costs of Education in the Health Professions," Institute of Medicine of the National Academy of Sciences, Washington, D.C., January, 1974.

TABLE 8

TUITION AS A PERCENTAGE
OF
TOTAL STUDENT COST(1)

System/Institution	1968-69	1969-70	1970-71	1971-72	1972-73	1973-74
BOARD OF GOVERNORS						
C.S.U.						
Tuition	120	195	270	345	420	420
Total Student Cost	1655	1835(10.9)	2010(21.5)	2135(29.0)	2234(34.9)	2384(44.1)
Tuition as a Percentage	7.3	10.6	13.4	16.2	18.8	17.6
E.I.U.						
Tuition	0	235	335	430	530	420
Total Student Cost	1692	1950(15.3)	2157(27.5)	2352(39.0)	2392(41.4)	2374(40.3)
Tuition as a Percentage	--	12.1	15.5	18.3	22.2	17.7
G.S.U						
Tuition	--	--	--	348	420	420
Total Student Cost	--	--	--	2128	2200(3.4)	2350(10.4)
Tuition as a Percentage	--	--	--	16.4	19.1	17.9
U.N.I.						
Tuition	120	195	270	345	420	420
Total Student Cost	1675	1862(11.2)	2048(22.3)	2190(30.8)	2271(35.6)	2376(41.9)
Tuition as a Percentage	7.2	10.5	13.2	15.8	18.5	17.7
W.I.U.						
Tuition	120	195	295	345	420	420
Total Student Cost	1594	1756(10.2)	1947(22.2)	2048(28.5)	2262(41.9)	2364(48.3)
Tuition as a Percentage	7.5	11.1	15.2	16.9	18.6	17.8
BOARD OF REGENTS						
I.S.U.						
Tuition	120	195	270	404	404	404
Total Student Cost	1742	1876(7.7)	2055(17.9)	2391(37.3)	2455(40.9)	2601(49.3)
Tuition as a Percentage	6.9	10.4	13.1	16.9	16.5	15.5
N.I.U.						
Tuition	120	195	270	568	404	404
Total Student Cost	1693	1935(14.3)	2130(25.8)	2298(35.7)	2394(4[illegible]4)	2604(53.8)
Tuition as a Percentage	7.1	10.1	12.7	24.7	16.9	15.5
S.S.U.						
Tuition	--	--	295	402	402	404
Total Student Cost	--	--	2040	2197(7.7)	2209(8.3)	2366(15.9)
Tuition as a Percentage	--	--	14.5	18.3	18.2	17.1
SOUTHERN ILLINOIS UNIVERSITY						
Carbondale						
Tuition	126	201	301	429	429	429
Total Student Cost	1673	1937(15.8)	2128(27.2)	2405(43.8)	2435(45.6)	2514(50.3)
Tuition as a Percentage	7.5	10.4	14.1	17.8	17.6	17.1
Edwardsville						
Tuition	126	201	301	429	429	429
Total Student Cost	1767	1947(10.2)	2147(21.5)	2325(31.6)	2340(32.4)	2490(40.9)
Tuition as a Percentage	7.1	10.3	14.0	18.5	18.3	17.2
UNIVERSITY OF ILLINOIS						
Chicago Circle						
Tuition	171	246	346	396	495	495
Total Student Cost	1783	1963(10.1)	2163(21.3)	2272(27.4)	2386(33.8)	2596(45.6)
Tuition as a Percentage	9.6	12.5	16.0	17.4	20.8	19.1
Urbana						
Tuition	170	246	321	396	496	496
Total Student Cost	1782	1897(6.5)	2113(18.6)	2279(27.9)	2481(39.2)	2626(47.4)
Tuition as a Percentage	9.5	12.9	15.2	17.4	19.9	18.9

(1) Numbers in ( ) reflect cumulative percentage increases from a base year of 1968-69.

participation in higher education.

Table 9 displays the average annual student expenses in public schools of medicine, dentistry, and veterinary medicine nationwide during the academic year 1970-71. It is assumed that during an inflationary period these expenses have continued to increase, causing at least a ten percent increase in expenses since 1970-71.

The current average student expenses in the Illinois public schools (adjusted to a nine-month academic year) are as follows:

	University of Illinois	Southern Illinois University
Medicine	$ 4,025	$ 4,175
Dentistry	5,500	4,697
Veterinary Medicine	2,740	

A comparison of the average annual student expenses for Illinois students and for students nationwide in the programs of medicine, dentistry, and veterinary medicine shows that Illinois students are paying significantly less for their education than students nationwide. This is in spite of the fact that the national data was compiled from 1970-71 cost data and the Illinois data reflects current 1974-75 charges. With costs increasing rapidly in recent years, it is probable that current 1974-75 national data would show even higher student budgets, thus causing even a larger differential between what Illinois students and students nationwide are paying.

The major difference between student expenses for Illinois students and students nationwide appears to lie in the tuition charges. At Southern Illinois University, the tuition levels of $429 per academic year for both the medical and dental schools fall well into the lower quartile nationally. At the University of Illinois, medical and dental tuitions of $882 and $783, respectively, are below the nationwide median for public schools. Current tuition levels in the public medical and dental schools nationwide are distributed as follows:[4]

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[4] "Medical Education in the United States, 1972-73," Journal of the American Medical Association, November, 1973 and the "Dental Education Supplement," Journal of Dental Education, 1973.

TABLE 9

AVERAGE ANNUAL EXPENSES IN PUBLIC SCHOOLS: SCHOOL YEAR 1970-71

	Medicine	Dentistry	Veterinary Medicine
Tuition, fees, books	$1,319	$1,719	$1,151
Board and lodging	2,179	2,244	1,851
Other	1,566	1,658	1,367
Total	$5,064	$5,621	$4,369

Source: "How Health Professions Students Finance Their Education,: DHEW Publication No. (HRA) 74-13, October, 1973.

	Medicine	Dentistry
First quartile	$ 757	$ 681
Median	950	910
Third quartile	1,200	1,200

A factor that concerned the Committee was the relationship between tuition at public universities and private institutions. Although increasing public university tuitions is not viewed as an economical means of insuring the survival of all private institutions, a large tuition gap between public and private institutions may prevent a student from choosing the type of institution he or she wishes to attend. Table 10 shows tuition and fee charges for selected private institutions for the period 1968-69 to 1974-75. It is apparent from this chart that the gap between public and private tuition and fee charges increased by approximately $250 during this period. During the same period, the ISSC maximum award increased by only $150 from $1,200 to $1,350 per student.

The gap between public and private tuition has historically been resolved by a combination of increases in public university tuition and increases in the ISSC maximum award to needy students who choose to attend a private institution. However, increasing public university tuition for the sole purpose of closing the gap between public and private institutions does not serve the purpose well since increasing costs at private institutions cause tuition increases in that sector which would outstrip all but the most dramatic tuition increases at public universities. For instance, a 10 percent increase in tuition would amount to approximately $200 per student in the private sector but only approximately $50 per student in the public university sector.

One of the Committee's recommendations stated that "the Board of Higher Education direct its attention to the necessity of increased state aid to private institutions of higher education to lessen the impact of inflation on their costs and help to assure their viability." The Board has various means of exploring the necessity of increased state aid to private institutions. The updating of the McConnell Commission Report is seen as the most appropriate vehicle for exploring various options since the study can encompass a broader range of subjects than just the relationship between tuition at public and private institutions.

The relationship between tuition at public universities

TABLE

SELECTED PRIVATE ILLINOIS COLLEGES AND UNIVERSITIES

Tuition and mandatory fees for selected private Illinois institutions for 1968-69 , 1974-75 and the percent of increase over 1968-69 are as follows:

INSTITUTION	1968-69 Tuition & Fees	Increase over 1968-69	1974-75 Tuition & Fees
Augustana	$1,500	49.2%	$2,238
Aurora	1,204	78.6%	2,150
Barat	1,150	65.2%	1,900
Bradley	1,300	69.2%	2,200
DePaul	1,350	48.9%	2,010
Elmhurst	1,520	63.2%	2,480
George Williams	1,347	51.7%	2,043
Illinois Institute of Technology	1,800	27.8%	2,300
Illinois Wesleyan	1,802	56.2%	2,814
Knox	2,010	58.9%	3,195
Lake Forest	1,950	60.5%	3,129
Loyola	1,370	43.8%	1,970
MacMurray	1,840	46.2%	2,690
Millikin	1,575	64.9%	2,598
Monmouth	2,000	41.3%	2,825
Mundelein	1,270	46.9%	1,865
National College	1,890	26.9%	2,400
North Central College	1,550	48.3%	2,298
North Park	1,455	60.5%	2,335
Northwestern	2,025	57.1%	3,180
Rockford	1,610	36.7%	2,200
University of Chicago	2,100	37.9%	2,896
Weighted Average--Private	$1,435	41.7%	2,033
Weighted Average -Public University	263	132.7%	612
Difference Between Charges at Private Institutions and Public Universities	1,172		1,421

and community colleges was recognized as a factor to be studied in the consideration of a tuition policy for public universities. However, the role of tuition at public community colleges appeared to be so intertwined with the amount of support received from various levels of government, that the Committee deferred consideration of the matter to the Community College Finance Study Committee.

The relationship between tuition at Illinois public universities and out-of-state institutions was viewed from the standpoint of how tuitions in the state of Illinois compare to those in other industrialized and surrounding states. As can be expected, each state had unique characteristics and circumstances which led to the determination of specific rates of tuition. Appendix C outlines the specific tuition and financial aid policies of major industrialized and surrounding states. A comparison of resident tuition charges in Illinois to those in other states reveals that Illinois institutions compare favorably to universities in other states as shown below.

Rank Ordering of Selected State Universities
By
1973-74 Resident Tuition and Fee Charges
For Undergraduate Students[5]

	Institution	Charges
1.	University of New Hampshire	$983
2.	Pennsylvania State University	900
3.	University of Michigan	800/904
4.	State University of New York	750/900
5.	Ohio State University	750
6.	Michigan State University	720
7.	Purdue University	700
8.	University of Illinois	686
9.	Indiana University	682
10.	University of California	644
11.	University of Iowa	620
12.	University of Wisconsin	573/628
13.	University of Minnesota	592
14.	University of Florida	570
15.	University of Missouri	540
16.	University of Texas	378

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[5] 1973-74 Student Charges, National Association of Universities and Land-Grant Colleges

A final consideration in the setting of a tuition policy was the relationship between student and taxpayer support of higher education. Students and taxpayers have historically shared in the cost of higher education in Illinois. The shared responsibility reflects a belief that both the individual and society benefit from an increased level of educational attainment. The exact benefit each segment of the society received is a topic of great disagreement and, in the Committee's opinion, cannot be adequately measured. Although figures provided by the United States Census Bureau reveal that the lifetime earnings of a college graduate exceed those of a high school graduate by approximately $280,000,[6] it is still difficult to ascertain the exact relationship between individual and societal benefits of a higher level of educational attainment. However, individual students do benefit from a postsecondary education and the Committee, therefore, supported continuation of the shared responsibility between students and taxpayers in the support of higher education.

After reviewing the factors which the Committee deemed important in the setting of a tuition policy for undergraduate and graduate students at public universities, an attempt was made to list various tuition alternatives and relate them to the above considerations. Among the tuition alternatives considered by the Committee were the following:

1. Full cost pricing
2. No tuition
3. Differential tuition charges by level of instruction
4. A uniform tuition policy for all public universities based on a percentage of the statewide undergraduate instructional cost.
5. Reaffirmation of present Board policy whereby tuition charges be maintained at a level of one-third of the undergraduate instructional cost calculated on the appropriate system base.
6. Differential tuition charges between the undergraduate and graduate levels.

Full-cost pricing, charging the student full instructional cost, was quickly dismissed by the Committee. It was felt that this alternative was inconsistent with the Committee's belief that students and taxpayers should share in the cost of higher education. Although taxpayers would continue to support activities other than instructional cost, the major burden for financing higher education would be placed on students. The net result of the implementation of such a policy would be the redistribution of a portion of the dollars presently allocated among institutions to new and expanded financial aid programs if the State's commitment to access to higher education were to be continued.

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[6] The Chronicle of Higher Education, April 8, 1974

A no-tuition policy was also quickly dismissed by the Committee for many of the same reasons. Such a policy would eliminate the student's contribution to the cost of his or her education, which is not in keeping with the Committee's belief that the cost of higher education should be shared by both students and taxpayers. A no-tuition policy would negate the premise that both the individual and society benefit from a higher level of educational attainment, a premise difficult to dispute when looking at the lifetime earnings of a college graduate versus a high school graduate.

The alternative of differential tuition charges by level of instruction was cited as a result of recently adopted tuition policies in the States of New York, Michigan and Wisconsin. Differential tuition charges by level of instruction commonly refer to charging different tuition rates for the lower division (freshman and sophomore), upper division (junior and senior), Graduate I (less than 30 graduate semester hours), and Graduate II (more than 30 graduate semester hours) level students based on the cost of instruction at these levels. Although the Committee recognized the differing costs among various levels of instruction within Illinois public universities, several factors prompted the elimination of this alternative. Among these factors were the very close monitoring of student credit hours needed to make this plan effective. Administrative costs would probably increase with the initiation of differential tuition charges and many problems were envisioned during registration under such a plan. Conversations with officials at the University of Wisconsin and the State University of New York confirmed that problems related to the registration process and monitoring of student credit hours have been significant obstacles to overcome in the implementation of a differential tuition policy. Questions were also raised as to whether a reduction in the lower division tuition charges would actually increase access to higher education in light of the significant effort the state already makes in the area of student aid.

The fourth alternative, a uniform tuition policy for all public universities based on a percentage of the average statewide undergraduate instructional cost, had both advantages and disadvantages. The intent of the uniform tuition policy was to eliminate the cost of tuition as a deterrent in the student's choice among public universities. However, a uniform tuition policy does not reflect the programmatic differences among institutions and systems, and was, therefore, not supported by the Committee.

The Committee also considered reaffirmation of the present Board policy whereby tuition charges would be maintained at a level of one-third of undergraduate instructional cost calculated on the appropriate system base. However, this alternative was rejected based on three primary considerations: 1) the policy did not address the wide differential between undergraduate and graduate instructional costs, 2) the policy, in effect, placed a higher state priority on graduate education than undergraduate education by subsidizing graduate costs to a much greater degree than undergraduate costs, and 3) the increased rate of return on the graduate student's investment versus the undergraduate student's investment in his or her education was not considered in this policy.

Therefore, the Committee recommended adoption of a tuition policy which would result in differential charges for undergraduate and graduate students. In regard to an undergraduate tuition policy, the Study Committee on Tuition and Other Student Costs recommended:

> "That tuition charges for resident, undergraduate students be maintained at a level of one-third of undergraduate instructional cost calculated on the appropriate system base. To this end, public university systems should raise undergraduate tuitions approximately on a proportional annual basis so that the one-third policy will be fully implemented no later than Fiscal 1980, provided that:
>
> a. The General Assembly and Governor increase funding of the Illinois State Scholarship Commission's Monetary Award Program and/or other programs to offset the impact of any proposed tuition increases on financially needy students,
> b. Full implementation of the one-third policy at any one system does not result in undergraduate tuition charges higher than under-

graduate tuition charges at the University of Illinois, and

c. In the calculation of undergraduate instructional costs to determine appropriate tuition charges, new institutions be excluded from the calculations during the first ten years of operation

> Furthermore, following full implementation of the one-third policy by Fiscal 1980, tuition charges should be updated annually and applied in Board of Higher Education budget recommendations routinely thereafter."

The Committee's recommendation regarding a graduate tuition policy stated the following:

> "That tuition charges for resident graduate students be maintained at a level of 133 1/3 percent of the resident, undergraduate tuition charge at each system. To this end, public university systems should raise graduate tuitions to this level concurrently in relationship to increases in undergraduate tuition charges."

Differential undergraduate and graduate tuition policies were supported on the basis of several considerations, including the belief that: 1) the policies addressed the wide differential between undergraduate and graduate instructional costs, 2) they reduced the widening gap in state subsidy for undergraduate and graduate students, 3) the policies recognized the increased rate of return on the graduate student's investment versus the undergraduate student's investment in his or her education, and 4) the policies established the principle that the more advanced the level of education, the greater the cost should be to the student.

The fact that a wide differential between undergraduate and graduate instructional costs exists is apparent. A comparison of undergraduate and graduate instructional costs by system based on the 1972-73 Unit Cost Study reaveals the following cost differentials:

System	Undergraduate Instructional Cost	Graduate Instructional Cost
Board of Governors	$ 1,464	$ 2,686
Board of Regents	1,488	4,235
Southern Illinois University	1,661	4,901
University of Illinois	1,590	4,206

The difference between undergraduate and graduate instructional costs ranges from $1,222 to $3,437. Since the present tuition policy is based on undergraduate instructional costs and applies equally to both undergraduate and graduate students, this procedure allows the State to subsidize instructional costs of graduate students to a much greater extent than undergraduate students. Based on the 1972-73 Unit Cost Study, the State is presently subsidizing the following percentage of the full instructional cost of undergraduate and graduate students:

System	Undergraduate Subsidy	Graduate Subsidy
Board of Governors	72.7%	85.6%
Board of Regents	74.1	90.1
Southern Illinois University	74.2	91.2
University of Illinois	68.8	88.2

The recommended undergraduate and graduate tuition policies call for a reduction in the gap between state subsidy for undergraduate and graduate students by charging separate tuition rates on the basis of instructional costs of the two student levels. The recommended policies call for annual updating of costs and full implementation by no later than Fiscal 1980. No attempt has been made to estimate what the instructional costs by system will be in Fiscal 1980. However, if the most recent Unit Cost Study, 1972-73, were used, the following tuition charges would be in effect by Fiscal 1980 as compared to present charges:

System	Present Tuition Charge	Recommended Policy	
		Undergraduate Tuition Charge	Graduate Tuition Charge
Board of Governors	$ 420	$ 488	$ 650
Board of Regents	404	496	660
Southern Illinois University	429	530	707
University of Illinois	496	530	707

In addition to the above considerations, the recommended tuition policies call for differential tuition charges between the undergraduate and graduate levels due to the increased rate of return on the graduate student's investment versus the undergraduate student's investment in his or her education. Table 11 displays the mean income and tax on that income for men and women in Illinois 18 years old and older by level of education. The data reveals that the income of men with five or more years

TABLE 11

ILLINOIS "DETAILED CHARACTERISTICS"

	4 Yrs. High School		4 Yrs. College		5 Or More Yrs. College	
Total Male 18 & Older						
Mean Income	$8,778.00		$14,140.00		$16,415.00	
*Tax, Single Taxpayer		$1,280.00		$2,465.30		$3,112.85
18 to 24 Year Olds						
Mean Income	$4,384.00		$4,822.00		$4,477.00	
*Tax, Single Taxpayer		$372.00		$457.00		$391.00
25 to 34 Year Olds						
Mean Income	$7,291.000		$9,022.00		$11,190.00	
*Tax, Single Taxpayer		$947.00		$1,331.00		$1,780.25
Total Female 18 & Older						
Mean Income	$3,736.00		$5,600,00		$7,720.00	
*Tax, Single Taxpayer		$255.00		$619.00		$1,042.00
18 to 24 Year Olds						
Mean Income	$3,077.00		$4,281.00		$4,434.00	
*Tax, Single Taxpayer		$149.00		$353.00		$381.00
25 to 34 Year Olds						
Mean Income	$3,659.00		$5,300.00		$6,345.00	
*Tax, Single Taxpayer		$246.00		$552.00		$748.00

* With standard deductions
SOURCE: 1970 Census of Population: Illinois, U.S. Department of Commerce, April, 1973.

of college exceeds that of men with 4 years of college by 16.1 percent, and the income of women with five or more years of college exceeds that of women with 4 years of college by 37.9 percent. Clearly, a student seeking an advanced degree can expect to receive on the average a higher income as a result of further education.

The recommended graduate tuition policy establishes the principle that the more advanced the level of education, the greater the cost should be to the student. In effect, the policy implies that the student's financial share of the cost should increase as he or she moves into more advanced levels of education where the goal is not merely achieving basic skills but gaining access to higher-paying, professional level jobs. The difference between the proposed undergraduate and graduate tuition charges cannot be considered significant when compared to the increased earnings which result, partly, from advanced levels of education.

The implementation of the proposed tuition policies would also result somewhat in a redistribution of student subsidies from higher-to-lower-income groups. Students now receive subsidies from two sources: (a) tuition at rates below educational costs, and (b) student aid through grants, subsidized loans, and work-study.[7] Tuition subsidies, by themselves, particularly advantage higher-and-middle-income groups since, without student aid, young persons from lower-income groups often cannot afford to attend college even with low or no tuition. As stated in the Tuition and Financial Aid Study presented to the Board in December, 1970:

> "Greater reliance on tuition as a source of revenue for public senior institutions of higher education is consistent with the philosophy that, whenever possible those who benefit from public programs and can afford to pay for those benefits should do so. It is unfair to exact money from the many lower income taxpayers who bear substantial burdens from the State's tax structure to subsidize education of young adults who are better able to pay their own way. The challenge and goal of our system of higher education is to be able to demonstrate by work and practice that no Illinois citizen who qualifies and seeks higher education shall be

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[7] Tuition, A supplemented Statement to the Report of the Carnegie Commission of Higher Education on "Who Pays? Who Benefits? Who Should Pay?" April, 1974, p. 2.

> denied the right to attend an appropriate post-secondary educational choice simply because he lacks the dollars to make the decision a reality. Illinois is one of a few states which has made the commitment by developing a strong public higher education system and by providing significant support to students via the scholarship grant and loan programs of the Illinois State Scholarship Commission."

Although concern is expressed that any increase in tuition will deny students access to higher education and cause enrollments to decline, the recommended tuition policies would not have a severe impact on total student cost. For instance, based on the 1972-73 Unit Cost Study, full implementation of the proposed undergraduate tuition policy would result in an increase in total student cost of between 1.3 and 4.0 percent which would be assumed gradually up to Fiscal 1980. At the graduate level, full implementation of the proposed policy would increase total student budgets between 8.0 and 11.2 percent in the respective systems.

Data regarding student price-response to higher tuitions have not been conclusive. A student survey conducted by the staff of the Economic and Fiscal Commission asked a sampling of students enrolled in public universities what action they would take if tuitions were increased by $500 next year. The survey results indicated that only between six and seventeen percent of the students presently enrolled would not or were not likely to continue their education if faced by such substantial increases.

The proposed tuition policies do not call for tuition increases of the same magnitude as indicated above. As long as benefits accrue to students in income, status, and opportunities for personal development, it is realistic to expect students who are financially able to do so to pay a reasonable share of the cost of his or her education. Moreover, tuition charges should grow proportionately with rising educational costs, both because costs are increasing and because wage and salary increases through inflation provide more income to pay these costs.

The recommended tuition policies which were discussed above refer only to resident students. In regard to non-resident students, a previous Board policy adopted in December, 1970 stated that "non-resident tuition should be maintained at a level of 100 percent of the instructional cost base." Non-resident tuition charges in other states were reviewed and appeared to be substantially higher than resident tuition charges. Appendix D details the non-resident tuition charges and/or policies of other major industrialized and surrounding states. The Study Committee on Tuition and Other Student Costs recommended:

> "That tuition charges for non-resident undergraduate students be maintained at a level of full instructional cost calculated on the appropriate system base and tuition charges for non-resident graduate students be maintained at a level of 133 1/3 percent of the non-resident, undergraduate tuition charge at each system. Furthermore, it is recommended that the Board of Higher Education consider entering into reciprocal tuition agreements with other states if such agreements prove to be fiscally sound."

Based on the Fall, 1973 Board of Higher Education Enrollment Survey, a non-resident tuition policy will affect only 9,487 students in public universities. Excluding the number of non-resident students receiving institutional waivers, it appears that fewer than 4,000 students paid non-resident tuition during the academic year 1973-74.[8] Liberalized residence policies in Illinois have also somewhat negated the effect that a non-resident tuition policy would have on out-of-state students.

The proposed non-resident tuition policy requires the same methodology for implementation as the resident tuition policies. If the 1972-73 Unit Cost Study were used to calculate instructional costs, the following non-resident tuition charges would be in effect by Fiscal 1980:

System	Non-resident Undergraduate Tuition Charge	Non-resident Graduate Tuition Charge
Board of Governors	$ 1,464	$ 1,952
Board of Regents	1,488	1,984
Southern Illinois University	1,590	2,120
University of Illinois	1,590	2,120

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[8] FY1976 RAMP Operating Resource Requirement Tables 13.1 and 13.2.

One component of the Committee's charge was to examine appropriate tuition charges for students enrolled in professional level programs. An examination of professional program costs and charges resulted in the Committee concentrating on appropriate tuition charges for these high-cost professional programs: medicine, dentistry, and veterinary medicine. Since all three of the programs related to the health professions, the Committee requested the Health Education Commission to explore the costs and benefits of the programs and recommend appropriate levels of tuition for these programs. In addition to the high cost of these programs, the financial commitment which the State of Illinois has made to the expansion of these programs, and the differences between tuition charges in Illinois as compared to national averages, the Committee was impressed by the individual benefits which accrue to graduates of these programs.

An interminable philosophical debate can be entered on the relative accrual of social and individual benefits of professional education. Certainly the social good is served by the economic investment in the education of physicians, dentists and veterinarians. However, it is also true that the individual benefits are substantial, as is evidenced in the income figures presented in Tables 12 and 13. In terms of ability to pay for their education, at least retroactively, physicians, dentists and veterinarians could absorb a much greater proportion of the cost than they now do.

Whatever the specific measure, it can be concluded that a prospective physician can look forward to a very advantageous financial return from his or her professional education. To a large but not equal degree, the earnings expectations of dentists and veterinarians are also very good.

Given the above considerations, the Study Committee on Tuition and Other Student Costs recommended:

> "That the Board of Higher Education recommend to the appropriate governing boards that tuition levels for public schools of medicine, dentistry, and veterinary medicine be set at the following academic year rates in Fiscal Year 1977 and adjusted in proportion to the undergraduate tuition increases thereafter:

Medicine	$ 1,250
Dentistry	900
Veterinary Medicine	750

TABLE 12

EARNINGS DATA FOR PRACTICING M. D.s 1972

	Median Earnings	
	Net Practice Income (Self-Employed M.D.s)	Salary, Bonus and Retirement (Incorporated M.D.s)
General Practice	$36,940	$55,000
Internal Medicine	43,610	62,500
General Surgery	46,350	67,500
Obstetrics/Gynecology	43,750	68,750
Pediatrics	39,720	50,000
Psychiatry	39,720	51,250

Source: "Will self-employed physicians net out ahead?" Medical Economics, October 15, 1973, pp. 240-251.

"What future for incorporated physicians?" Medical Economics, November 26, 1973, pp. 178-185.

TABLE 13

EARNINGS DATA FOR
PRACTICING DENTISTS
AND VETERINARIANS

Net Mean Income of Independent Dentists, 1970

Location of Practice

Illinois	Central U.S.	U.S.
$28,700	$29,300	$30,800

Source: *Journal American Dental Association*, 86 (1973), pp. 167-172.

AVERAGE INCOME OF
PROFESSIONAL VETERINARIANS, 1972

Classification	Average Total Income
Industry	$29,800
College or University	20,642
Federal Government (Non-Military)	22,972
Federal Government (Military)	18,315
State and Local Government	21,341
Veterinarians in Private Practice	20,275
Private Practice Employees	17,193

Source: "The 1973 Economic Survey of Salaried Veterinarians' Income Earned in 1972"; John W. Judy, Jr., D.V.M., Ph.D.

"The 1973 Economic Survey of Veterinarians in Private Practice During 1972"; John W. Judy, Jr., D.V.M., Ph.D.

If tuitions are to be increased at either the undergraduate, graduate, or professional levels, cognizance must be taken of the impact on the student who, for whatever reason, may be closed out of an opportunity for a postsecondary education. Chapter 3 details how students presently meet college costs and how students would be able to meet the additional costs recommended in the specific tuition policies.

III. MEETING COLLEGE COSTS

Having reviewed the total cost to the student of obtaining a postsecondary education, the Committee considered the various methods by which students finance this cost and equitable means of aiding students whose financial resources do not permit full payment of college costs. The ability to meet college costs is of primary concern to students and/or their parents in the decision to attend a postsecondary institution. The Committee recognizes that college costs by no means represent the aggregate cost of obtaining a postsecondary education, however, it is these costs which students are expected to contribute towards their education and living expenses. The means by which students finance college costs vary greatly among individual students. For instance, some students finance the entire college cost themselves, while a large number of students share the responsibility for financing college costs with their parents. For other students, the financing of college costs is met through a combination of scholarship and grant aid, loans, work, and parental contributions.

The average dollar amounts required from all students and/or their families for the payment of college costs during the academic year 1973-74 are shown in the following chart:

	Dollars in Millions		
	Tuition & Fees	Other Costs	Total Costs
Public University			
Tuition and Fees 151,476 FTE X $601	$ 91.1		$ 91.1
Other College Costs 151,476 FTE X $1,898		287.5	287.5
TOTAL Public University Est.			$378.6
Public Community College			
Tuition and Fees 110,323 FTE X $317	35.0		35.0
Other College Costs 110,323 FTE X $1,850		204.1	204.1
TOTAL Public Community College Est.			$239.1
Private			
Tuition and Fees 110,096 FTE X $1,943	213.9		213.9
Other College Costs 110,096 FTE X $1,747		192.3	192.3
TOTAL Private Est.			$406.2
GRAND TOTAL EST.			$1,023.9

It should be noted that no distinction has been made between the expenses incurred by undergraduate and graduate students in the table above. Although the vulnerability of this assumption was recognized, no equitable means was found to separate graduate expenses caused by such factors as marriage and family responsibilities from the costs easily attributed to their status as students.

Even though the average dollar amount required for the payment of college costs in all collegiate sectors exceeds $1.02 billion, the total amount required was not assumed entirely by students and/or their families. According to the information provided in the 1973-74 Board of Higher Education Financial Aid Report, approximately $250.8[9] million or 24.5 percent of total college expenses, was provided from sources other than students and/or their parents. Table 14 provides a summary of the distribution of student financial aid by sources and sector.

Although the absolute dollar amount required from students and/or families in meeting college costs was given considerable attention by the Committee, a more critical consideration was the way this burden is distributed among students and/or their families, whose ability to meet educational and living expenses varies enormously. For example, if all students were expected to pay total college costs, the goals of availability of educational opportunity without regard to financial status and the elimination of financial barriers to higher education would not be served. Low-income students unable to meet total college costs would be priced out of an education, thus eliminating their right to develop to their full potential or capabilities. On the other hand, if all students were not expected to contribute anything toward their educational and living expenses, the State would have to assume an additional burden of approximately $1.02 billion. This solution would be impossible from a fiscal standpoint and contrary to the Committee's belief that the costs of higher education should be a shared responsibility between students and taxpayers.

The Committee, in reviewing how students finance college costs and the manner in which costs are distributed, recognized a strong need for viable financial aid programs which distribute financial aid to students who without assistance would not be able to attend a postsecondary institution. Recent trends at the federal and state levels have been toward undergraduate student assistance based on financial need. A major federally-funded needs-based program (Basic Educational Opportunity Grant Program) was created in the passage of the Educational Amendments of 1972. The State of Illinois has

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[9] This figure does not include approximately $113.0 million available to Illinois students through Veterans' and Social Security benefits.

TABLE 14

Distribution of Estimated 1973-74 Student Financial Aid by Source and Sector

(dollars in thousands)

	Federal			State*			Institutional			Other**			Total		
Sector	Dollars	% of Row	% of Column	Dollars	% of Row	% of Column	Dollars	% of Row	% of Column	Dollars	% of Row	% of Column	Dollars	% of Row	% of Column
Public Universities	$24,163.3	21.1%	40.4	$65,150.2	56.8%	62.4	$11,927.2	10.4%	19.9	$13,479.1	11.7%	50.4	$114,719.8	100.0%	45.7
Community Colleges	9,196.0	45.7	15.4	6,130.9	30.3	5.9	3,427.2	17.0	5.7	1,411.4	7.0	5.3	20,138.5	100.0	8.0
Private Colleges and Universities	26,388.3	22.3	44.2	33,100.9	28.5	31.7	44,644.4	38.5	74.4	11,839.4	10.2	44.3	115,973.0	100.0	46.2
Total	59,747.6	23.8	100.0	104,355.0	41.6	100.0	59,998.8	23.9	100.0	26,729.9	10.7	100.0	250,831.3	100.0	100.0

*This includes all State-appropriated funds at the public universities, including some (such as NDSL matching funds) which are listed under "Institutional Programs" on other tables. "Institutional funds" on this table therefore reflect only non-appropriated funds, not supplied from State tax revenues, which go to financial aid.

**Includes funds loaned through the Illinois Guaranteed Loan Program.

also placed significant emphasis on needs-based financial assistance through funding of the Illinois State Scholarship Commission's Monetary Award Program.

Student financial assistance programs can be placed into two categories: non-repayable assistance programs and repayable assistance programs. Non-repayable assistance programs available to Illinois students include a majority of the federally-funded assistance programs, the Illinois State Scholarship Commission's Monetary Award Program, Institutional Waiver Programs, and Statutory Waiver Programs. Non-repayable assistance programs provide direct grants to students for educational and living expenses and require no repayment by the student over an extended amount of time. Repayable assistance programs, on the other hand, consist primarily of loans which must be repaid over an extended period of time. Even though there is much discussion concerning the attributes of non-repayable assistance versus repayable assistance, both forms of assistance were credited as providing students immediate access to higher education.

According to the 1973-74 Financial Aid Study, state supported non-repayable assistance programs account for approximately 60.6 percent of all funds available to undergraduates in all sectors of Illinois higher education, excluding veterans' and social security benefits. Of this amount, approximately 59.6 percent of the funds are distributed by the Illinois State Scholarship Commission (ISSC). The Illinois State Scholarship Commission's Monetary Award Program is the major needs-based state-supported program available to Illinois students. The monetary awards are applicable only toward tuition and mandatory fees, up to a maximum of $1,350 annually. Systematic financial needs determination procedures are used to insure that the economic circumstances of students and/or their parents are correctly assessed before monetary award winners are announced, thus assuring that all students' needs are measured according to the same criteria.

Since its inception in 1958, the Illinois State Scholarship Commission has distributed approximately 451,400 monetary awards[10] to students in need of assistance in meeting college costs. Recent changes in ISSC requirements, including aid to half-time students and independent students, extension of the application deadline to October 1, fifth year entitlement, increases in the maximum award to students in private institutions to $1,350, and liberalization of the needs analysis formula, have resulted in larger numbers of students being served by this program. A recent ISSC survey of 1973-74 monetary award winners reveals that 54.3 percent of the respondents would not have been in school full-time without ISSC aid and 34 percent of the respondents indicated that acceptance of an ISSC award has reduced the need for excessive borrowing and employment while in school.[11] Perhaps the most significant change that has occurred as a result of the ISSC Monetary Award Program is the substantial increase in the number of lower income students being served by higher education. For instance, during the period of 1969 to 1973, the number of students receiving ISSC awards from family incomes below $10,000 increased from 9,268 in 1969 to 42,833 in 1973, an increase of 362.2 percent. Even though the recognition of independent students increased the number of award winners in the income range below $10,000 by approximately 38.5 percent between 1969 and 1973, the increase in access to higher education for all lower income students has been substantial.

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[10] Illinois State Scholarship Commission Report, April, 1975.

Two other state-supported non-repayable assistance programs for the payment of tuition and fees at public universities are the institutional waiver and statutory waiver programs. During the academic year 1973-74, public universities granted 5,562 institutional waivers for an annual cost of approximately $3.7 million. Institutional waivers are primarily non-needs based awards and are granted to staff, athletes, foreign students, students who exhibit academic merit or other talents, and, to a smaller degree, disadvantaged students. Institutions and their respective governing boards determine the criteria upon which institutional waivers are awarded.

Statutory tuition and fee waivers are provided for in the Illinois School Code and must be used at public institutions. In 1973-74, 31,695 waivers were awarded under this program for an annual cost of $11.6 million. Statutory waivers are awarded on a non-needs basis under the following nine programs:

1. Veterans
2. Children of Deceased or Disabled Veterans
3. ROTC Scholarships
4. Teacher Education
5. Special Education
6. County Scholarships
7. Public Aid
8. Children and Family Services
9. General Assembly Scholarships

The three major state-supported non-repayable assistance programs, ISSC Monetary Awards, Institutional Waivers, and Statutory Waiver Programs, have resulted in a large number of undergraduate students in public universities not being required to pay tuition and fees. To a lesser degree, this has also been true in the community colleges and private institutions. For instance, the Financial Aid Study shows that during 1973-74 approximately 57,130 undergraduates in public universities, or 37.7 percent of the undergraduate full-time-equivalent enrollment, were served by these programs. In community colleges, approximately 23,222 students or 21.1 percent of the full-time-equivalent enrollment received aid from these sources. In the private sector, approximately 26,475 students or 24.1 percent of the full-time-equivalent enrollment received state-supported ISSC awards. Although the number of students served by statutory or institutional waiver programs is likely to decline with the elimination of or restrictions placed on some programs, it is anticipated that these students could receive ISSC awards if they demonstrate financial need. A detailed breakdown of the number of students served by statutory and institutional waiver programs in public universities is presented in Appendix E.

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[11] "Study of Monetary Award Winners," J. D. Boyd and R. Fenske, (to be published in June, 1975).

Federally-funded non-repayable assistance programs account for approximately 19.6 percent of all funds available to Illinois students in this category. The major federally-funded non-repayable assistance programs available to Illinois undergraduate students include the Basic Educational Opportunity Grant Program, The Supplemental Educational Opportunity Grant Program, and the College Work-Study Program.

The Basic Educational Opportunity Grant Program in the authorizing legislation, provides undergraduate students with a $1,400 entitlement or one-half of the eligible costs of attendance at a postsecondary institution, whichever is less. However, present fiscal constraints at the federal level have reduced funding of this program so that only freshman and sophomore level students are currently eligible for maximum awards of approximately $1,050 based on a standardized needs analysis formula. It is anticipated that junior level students will also be eligible for basic grants during the 1975-76 academic year. However, the $1,400 entitlement is not likely to be achieved due to pressure to hold the line on federal expenditures.

The Supplemental Education Opportunity Grant Program (SEOG) provides assistance to needy undergraduate students based on the financial need calculation of postsecondary institutions. The grant may not exceed one-half of the total amount of financial assistance actually awarded to the student for a given academic year or $1,500, whichever is less. Federal dollars appropriated annually for the SEOG program are allocated among the states on the basis of student attendance figures and a determination of the validity and precision of institutional requests for funds. For the 1974-75 academic year, it is anticipated that the average award for this program will be $670.

The College Work-Study Program (CWS) is a cost-shared program of federal-plus-institutional support (80-20) for part-time and vacation-period employment of students attending post-secondary institutions, with preference for those with the greatest financial need as determined by the institutions. It is anticipated that the average earnings under the CWS program will be $580 for the academic year 1974-75.

The 1973-74 Financial Aids Study reveals that 30,600 students in all sectors of Illinois higher education were served by the three major federally-funded programs mentioned above. However, this number is somewhat misleading since students may participate in several federal programs at the same time. The Committee regretted that most institutions were unable to provide unduplicated figures of the total number of students served by these programs.

The two major repayable assistance programs available to Illinois students are the National Direct Student Loan Program and the Illinois Guaranteed Loan Program. During 1973-74, these programs aided approximately 35,550 students and provided $39.8 million. The average loan for the 1973-74 school year was calculated to be $1,238 for public university students, $765 for community college students, and $1,071 for students at private institutions.

Both of these programs have been under criticism for the past several years. The National Direct Student Loan program is criticized both for its high default rate and inadequate funding at the federal level. Although the program is ideal from a student standpoint, with an annual interest rate of 3 percent, it is unlikely that federal funding for this program will be increased due to the high default rate. The Illinois Guaranteed Loan Program, on the other hand, is criticized because it is not equally accessible. Since funds are made available by private lenders, low-income and minority students may not be served under this program if lenders consider them a bad risk. With the prime interest rate on other loans averaging between 9 and 12 percent annually, some lenders have been unwilling to loan money to any students under the Illinois Guaranteed Loan Program at a 7 percent interest rate, even with additional federal subsidies of between 1 1/2 and 3 percent. The inability of some students to obtain loans under present market conditions prompted the General Assembly to request that ISSC conduct a feasibility study on the state serving as a direct lender to students. The results of the ISSC feasibility study should be available in

May, 1975. Although the Committee offered no recommendation concerning a direct state lending program, several members expressed concern that a direct state lending program may eliminate the Guaranteed Loan Program. Since the Illinois Guaranteed Loan Program provided approximately $17.8 million for Illinois students in the payment of college costs during 1973-74, the Committee expressed a desire to maintain and possibly increase funding under this program through necessary modifications, realizing that the program serves as one important source of funds for students in meeting college costs.

A program which neither falls under the category of a non-repayable or a repayable assistance program is the campus student employment program. The Committee recognized that on and off-campus student employment opportunities enable students to earn money to meet the contribution expected from them. During 1973-74, approximately 22,294 undergraduate students, or 15 percent of the undergraduate full-time-equivalent enrollment, were engaged in on-campus employment in public universities. During this same period, approximately 6.2 percent of the full-time students in community colleges, and 12.7 percent of the full-time undergraduate students in private institutions were employed on campus. For the 1973-74 academic year, approximately $37.2 million was allocated for on-campus employment of undergraduate students in all sectors of higher education as reported in the Financial Aids Study.

The federal and state-supported student assistance programs described above combined with students' summer earnings, savings and parental contributions account for virtually all of the sources available to students in meeting college costs. A major factor to be studied in how students finance college costs is the adequacy of these sources of funds for meeting college costs and whether any changes in the financing of college costs warrant alterations in financial aid policies. Unfortunately, only limited information regarding student financing of college costs is available for analysis.

The Illinois State Scholarship Commission conducts a study of monetary award winners every three years.[12] The study, although limited to one segment of the student population, is both comprehensive and provides a sound basis for recommended changes in the ISSC needs analysis formula. Another study was conducted by the Illinois Economic and Fiscal Commission staff in 1973.[13] This survey was limited

[12] The most recent study was conducted during 1973-74. Preliminary findings are contained in this document. However, the complete study will be available in June, 1975.

[13] Student Financial Aid in Illinois: A Program Evaluation, Illinois Economic and Fiscal Commission, July, 1974.

to students in public universities and the sampling consisted of approximately five percent of the student headcount enrollment.

The ISSC study reveals that an increasing number of students would not be in college full-time without ISSC Monetary Awards. For instance, the number of students reporting that they would not be in college full-time without a monetary award increased from 20.3 percent in 1967-68 to 54.3 percent in 1973-74. No significant difference in the response of students enrolled in either public or private institutions was apparent.

A review of past survey results show that marked changes are occurring in the packaging of resources available to Monetary Award Winners in meeting college costs. Packaging of resources was broken down into three categories: Gift Aid, Self-Help, and Parental Contributions. Gift Aid consisted of ISSC awards and Other Aid from federal and state-supported programs; Self-Help consisted of loans, school-year earnings, and summer earnings; and Parental Contributions consisted of the amount of money students received from their parents for the payment of college costs. The most significant difference from student responses received in 1967-68 and 1973-74 is the decline in the percentage of parental contributions which students receive. Based on survey results of students enrolled in both public and private institutions, the parental contribution decreased from 16.9 percent in 1967-68 to 11.9 percent of college costs in 1973-74.

The decline in the parental contribution has been offset by increases primarily in the self-help category. Self-help increased from 43.9 percent in 1967-68 to 48.5 percent in 1973-74. The greatest increase in this category occurred in school-year earnings, from 7.7 percent in 1967-68 to 18.6 percent in 1973-74. This increase was partially offset by a decline of 3 percent in both loans and summer earnings. An increase of approximately 3.0 percent during this period in gift aid other than ISSC awards reflects, in part, the increases in federal resources available to students.

A further breakdown of student responses by sector shows that more rapid changes in the packaging of resources available to students in meeting college costs are occurring in the public sector than in the private sector. In the public sector, the greatest increase was encountered in the gift aid category, from 22.9 percent to 34.6 percent during the period 1967-68 to 1973-74. Both of the subcategories of ISSC Awards and Other Gift Aid showed substantial increases during this period of 7.9 percent and 3.8 percent, respectively. These tremendous increases were balanced by a decline of 5.0 percent in the self-help category and a decline of 6.7 percent in parental contributions. Although the percentage of resources available to students in the self-help category declined by 5.0 percent, within this category school-year earnings increased by 11.9 percent. However, summer earnings declined 11.0 percent and loans declined 5.9 percent, for a net loss of 5.0 percent in this category.

Changes in the packaging of resources available to students in meeting college costs are occurring in the private sector at a rate much diminished from that in the public sector. The most significant changes were an increase of 4.7 percent in the gift aid category and a decline of 3.7 percent in parental contributions from 1967-68 to 1973-74. Even though a decrease of only 0.8 percent in the self-help category occurred during this period, the increases and decreases in resources available to students were similar to those experienced in the public sector. For instance, while school-year earnings increased by 9.8 percent, loans and summer earnings declined 5.2 percent and 5.3 percent, respectively.

Perhaps the most disturbing and least understood survey result is that in all sectors the parental contribution toward their son or daughter's education has declined as a percentage of college costs from 1967-68 to 1973-74. Not only has the percentage of the parental contribution toward college costs declined during this period, but the actual dollars which parents contribute has declined from a yearly average of $268 to $186 in the public sector and a yearly average of $331 to $318 in the private sector. In light of the salary and wage increases which have taken place during this period, it is difficult to explain why parents of monetary award winners have chosen to contribute less toward their son or daughter's education.

Many of the same conclusions drawn from the ISSC study are contained in the survey results of the Illinois Economic and Fiscal Commission (IEFC) study of student financial aid in Illinois. The major difference between the two studies lies in the fact that the IEFC study was a random sampling of 5 percent of all students in public universities while the ISSC study was limited to monetary award winners in public and private institutions.

Much of the discussion of the data collected in the IEFC survey centers around the contribution of each source toward the payment of college costs. The IEFC survey shows that the average percent contribution from each source is as follows:[14]

[14] Student Financial Aid in Illinois: A Program Evaluation, Illinois Economic and Fiscal Commission, p. 10.

Parental assistance	23 %
State and federal NRA	16
Loans	7
School year earnings	23
Summer earnings	31

The IEFC survey results also contained some interesting data regarding the relative importance of parental assistance or contributions toward college costs. The survey shows that parental assistance declines in importance as a funding source as the student's grade level increases, being largely replaced by earnings from school-year employment. In addition, the relative importance of parental assistance among the five sources increases with family income accounting for 8 percent of the college resources of students in the $0-5,000 parental income range and 36 percent of the resources of students whose family incomes are over $20,000. Tables 15 and 16 display these results.

The survey results presented in Table 17 raise some question about the impact of non-repayable assistance (NRA) as it relates to parental income. For students with parents in the $5,000-20,000 income ranges, parental assistance as a percent of current income appears to remain fairly constant at a level just under 5 percent. Parents in the highest income group, over $20,000 are providing the highest amount of assistance. However, as a percent of income, the effort being made by these parents appears to be below average. On the other hand, despite the fact that students in the lowest income group are receiving more NRA, the parents of these students appear to be making an above average effort in providing assistance.

Information on how students enrolled in the professional programs of medicine, dentistry, and veterinary medicine finance college costs is limited primarily to national data. The source of funds used to meet the costs borne by the student are shown in Table 18. Roughly one-fifth of the students' educational expenses are generated from loan sources. Nationally, the average indebtedness of a graduating medical student in 1970-71 was about $5,500; the comparable figure for a dental student was about $6,900.

In 1972-73 there was approximately $150,000, $60,000 and $40,000 available in Federal scholarship monies for medical, dental, and veterinary medicine students, respectively, at the University of Illinois. These funds are awarded on the basis of financial need. There has been virtually no growth in the amount of such funds over a three-year period. Federal loan funds, plus University matching funds, totaled about $440,000, $200,000 and $60,000 in 1972-73 for medicine, dentistry, and veterinary medicine, respectively, at the University of

TABLE 15

Percent of Contribution From Each Source By Grade Level

Students' Grade Level	Parental Assistance	School Year Earnings	Summer Earnings	NRA	Loans
Freshman	34%	13%	30%	17%	5%
Sophomore	27	19	30	17	8
Junior	18	27	33	16	6
Senior	18	28	31	16	7
Average	23%	23%	31%	16%	7%

TABLE 16

Percent Contribution of Each Source By Parental Income

Parents' Annual Income	Parental Assistance	School Year Earnings	Summer Earnings	NRA	Loans
Under $5,000	8%	29%	27%	25%	10%
$5,000-9,999	13	24	30	24	10
$10,000-14,999	24	22	33	16	6
$15,000-20,000	31	22	31	11	6
Over $20,000	36	19	33	9	3
Average	23%	23%	31%	16%	7%

Source: Illinois Economic and Fiscal Commission Survey of Public University Students, 1973.

TABLE 17

Estimates of Parental Effort in Providing Assistance to Students

	Estimated Annual Parental Income				
	Under $5,000	$5,000-9,999	$10,000-14,999	$15,000-20,000	Over $20,000
1. Estimated parental assistance	$252	$342	$600	$810	$954
2. Assumed average parental income	$2,500	$7,500	$12,500	$17,500	$22,500
3. Estimated parental effort	10.0%	4.6%	4.8%	4.6%	4.2%

Source: Illinois Economic and Fiscal Commission Survey of Public University Students, 1973.

TABLE 18

SOURCE OF STUDENTS' INCOME
IN PUBLIC SCHOOLS:
SCHOOL YEAR 1970-71

	Medicine	Dentistry	Veterinary Medicine
Student's earnings and savings	20	20	26
Spouse contribution	33	39	33
Parent's contribution	15	14	13
Scholarship and grants	12	8	11
Loans	20	18	17

Source: "How Health Professions Students Finance Their Education," DHEW Publication No. (HRA) 74-13, October, 1973.

Illinois. Approximately, 20 percent of the enrollees were aided by these loans and scholarships, reflecting the national figures quite closely. In addition to the Federal financial aid programs, there is a limited amount of aid monies available from private sources.

In summary, the relative importance of the source of funds available for meeting college costs appears to be changing. The most noticeable change shows a decline in the amount of parental assistance provided to students being offset by increases in the student's school year earnings and gift aid from primarily federal sources. These changes impacted several of the Committee's recommendations regarding student aid policies.

In view of survey results which show ISSC awards being used to offset, in part, declining parental contributions, the Committee was cognizant of the necessity to continue financial aid programs which are needs-based. Therefore, the Committee recommended:

> "That financial need should be the controlling element in the distribution of state-appropriated funds for student aid to undergraduate students in all sectors of Illinois higher education. To this end, it is recommended that the non-needs based General Assembly Scholarships be eliminated.
>
> The Illinois State Scholarship Commission has incurred the major responsibility for the distribution of student aid based on need. It is recommended that any future increases in needs-based financial aid programs funded by the State be administered by the Illinois State Scholarship Commission. It is further recommended that the Illinois State Scholarship Commission expand eligibility of applicants for ISSC grants by decreasing the level of expected family contribution by income range."

Clearly, the goal of "availability of educational opportunity without regard to financial status" cannot be met without strong grant programs to aid lower income students in the payment of college costs. Consideration must also be given to altering the ISSC expected family contribution schedule whenever economic conditions necessitate its adjustment in order to maintain the availability of educational opportunity to all Illinois citizens. The Committee's recommendation that the ISSC consider expanding the eligibility of applicants for ISSC grants by decreasing the level of expected family contribution by income range is especially relevant to lower income families who appear to be making an above average effort toward assisting their sons or daughters in the payment of college costs.

The ISSC study also shows an increase in other gift aid, primarily from federal funds, as a source of funds available for meeting college costs. This increase in part is due to the passage of the Educational Amendments of 1972. The Committee considered the role of the federal government crucial in providing funds for needy students in the payment of college costs and felt that federal sources of student aid should be continued and expanded to meet student costs other than tuition and fees. The Study Committee on Tuition and Other Student Costs recommended:

> "That the Board of Higher Education urge the General Assembly and Governor to vigorously support expansion of the federally-funded Basic Educational Opportunity Grant and College Work-Study programs."

These two programs were selected for special emphasis because it was felt that these programs hold the promise of providing students with the greatest amount of assistance in the future. The Basic Educational Opportunity Grant Program (BEOG) promotes both student access and choice among institutions. The College Work-Study Program (CWS), on the other hand, provides employment funds for lower income students in order to help them meet the expected student contribution of approximately one-fourth of college costs.

The Committee strongly urged the Board to seek the cooperation of the General Assembly and Governor in supporting the expansion of these two programs. The above recommendation was endorsed by the Committee because it was convinced that the federal government should assume the major responsibility for providing funds to needy students for the payment of college costs. Although the Committee believed that the State's practice of awarding tuition and fee waivers to needy students should be continued, it felt that the immediate and long-range return which the federal government receives on its investment in students needing assistance via the income tax structure far exceeds the return which the State could receive. For instance, the mean income of a male college graduate exceeds that of a high school graduate by approximately $5,362 per year and the federal income tax which the government receives from a college graduate exceeds that of a high school graduate by approximately $1,185 per year. Through the income tax structure, the federal government will receive a full return on its investment in assisting needy students in a relatively short period of time due to the increased earning power of college graduates. Therefore, the Committee strongly recommended expansion of the Basic Educational Opportunity Grant and College Work-Study programs.

Results of both the ISSC and IEFC surveys indicate that the ISSC Monetary Award Program is providing students access to higher education in increasing numbers. Although the Committee commended the Illinois State Scholarship Commission for its efforts in distributing aid to financially needy students, it also sought means of maximizing the opportunities offered by ISSC in order to serve a larger number of current and potential students. Therefore, several recommendations and suggestions were offered as means of increasing access to higher education. The first recommendation of the Study Committee on Tuition and Other Student Costs was:

> "That the Illinois State Scholarship Commission eliminate its practice of distributing partial awards for tuition and fees in blocks of $150, but rather distribute partial awards in an amount equal to the total amount of need shown according to the standardized needs analysis formula."

Current ISSC practice is such that if a student does not qualify for a maximum award, full tuition and mandatory fees up to a maximum of $1,350, his or her award is rounded down to the nearest multiple of $150. For instance, if a student is eligible for $448, he or she would receive an award of $300. If a stated purpose of the ISSC is to "equalize educational opportunity by removing financial barriers to college," the Committee strongly felt that a student meeting the minimum requirements of ISSC should be able to receive a partial award equaling the total amount of need calculated using the needs analysis formula.

The Committee was also concerned that an increasing number of ISSC Monetary Award winners are not accepting their awards. For example, during 1973-74, 90,224 awards were announced, but only 72,246 awards, or 80 percent, were claimed by enrolled students. Annual surveys could provide information on the adequacy of student assistance programs in providing access to higher education, as well as information on why approximately 20 percent of the monetary award winners are not accepting their awards. Therefore, the Study Committee on Tuition and Other Student Costs recommended:

> "That the Illinois State Scholarship Commission conduct a yearly survey of nonacceptors of monetary awards in an effort to evaluate the program and its success in the fulfillment of stated objectives."

School year earnings, as evidenced in the ISSC Study, are becoming an increasingly important source of funds for needy students in the payment of college costs. Their importance can partially be attributed to the need to offset the decline in parental assistance. Although the student employment officers in public universities have proposed increasing on-campus employment funds by approximately $6.0 million, the proposal presented little justification for this request. The program, as outlined, was geared toward middle and upper income students who do not receive other financial assistance. Concern was expressed as to whether students who exhibit financial need would be served under such a program and whether the proposed program would duplicate present student employment programs.

Efforts are presently underway in Congress to increase College Work-Study funding substantially and to make provisions for the use of State Student Incentive Grant funds for matching state efforts in developing student work programs. It would be unwise practice to further increase student employment funding from state sources when the likelihood exists that federal funds for student employment will be increased. Therefore, the Study Committee on Tuition and Other Student Costs recommended:

> "That student employment programs be considered as an important source of funds for students in meeting college costs and their continuation should be encouraged. However, any expansion of student employment programs requiring additional funding should be incorporated and justified in an institution's annual budget submission."

Although the ISSC and IEFC surveys were helpful in determining how students meet college costs, the Committee was concerned about the lack of information available from individual financial aid offices concerning the number of students requesting and receiving aid and the economic profile of students being served. The Committee realized that in order to rectify this situation the cooperation of the Board of Higher Education and individual institutions and their governing boards must be solicited. Therefore, the Committee set among its highest priorities the following recommendation:

> "That the Illinois institutions of higher education, their governing boards, and the Board of Higher Education, give higher funding priority to the operation of student financial aid, counseling and employment offices in an effort to increase their services to students in need of financial assistance, to increase their share of federal and state student aid resources presently available, and to honor their commitment to access to higher education.
>
> To this end, the Board of Higher Education should

> recommend a one time $25,000 allocation for the implementation at all public universities of the computer-assisted financial aid management system developed at Illinois State University."

The benefits of such a system are numerous. Foremost, more students could be served if financial aid offices used computer-assisted financial aid management systems. Presently, the application which students are required to submit is processed manually as is the task of packaging of financial aid. Under a computer-assisted system, these tasks could be handled by the computer, thus freeing staff time for meeting with individual students and helping them solve any problems they are having in seeking assistance. As problems are solved, more and more students could be served by the financial aid office. By freeing staff from the manual activities which they are presently required to perform, the important role of counseling could be performed more adequately. The Committee recognized the large need for financial aid counseling of individual students with special problems and those seeking placement in on-campus and off-campus jobs.

Another benefit of a computer-assisted financial aid management system is that through the documentation of empirical data, institutions should be able to receive additional federal funds for student aid. The application which institutions must file for requesting funding under the Supplemental Educational Opportunity Grant, College Work-Study, and National Direct Student Loan programs require verification of the financial need of the student body. A computer-assisted system can easily document student need through integrating the files of students presently receiving aid. Illinois State Univeristy, through the use of their financial aid system, has consistently been able to increase their share of federal funding for student aid programs, while most other institutions have shown a decline in the level of federal funding for student aid programs. The net result of a decline in federal funding for student aid is that fewer students will be able to receive assistance. Another benefit of the implementation of a computer-assisted financial aid management system would be that the Board of Higher Education would have empirical data available in reviewing the need for additional financial aid.

The recommendations contained in this document are set forth as a framework in which to plan for the future as dollar resources available are matched against the needs of students and institutions of higher education. As federal and state financial aid programs are altered, Board policy regarding tuition and financial aid must be continually reassessed to determine the potential impact on students who need financial assistance in attending postsecondary institutions. Thus, careful planning, monitoring of program changes, and the ability to adapt to changing conditions must prevail if the students of Illinois are to be afforded postsecondary educational opportunities.

APPENDIX B

Undergraduate Instructional Cost

The exact accounting procedures used in the Unit Cost Study are described in detail in the Cost Study Manual as published by the Board of Higher Education in October, 1971. The principal object of the study is to produce comparable credit hour costs by disciplinary categories and levels. For purposes of the Study Committee on Tuition and Other Student Costs it should be sufficient to note that the basic allocation principle is faculty time. In a much simplified example, if a professor were to spend one-third of his time teaching undergraduate courses and two-thirds on graduate courses, his salary would be allocated one-third to the cost of undergraduate, two-thirds to the cost of graduate instruction. Starting from the cost base built up by allocating salaries of departmental faculty, departmental, college and university overheads are added in proportion to the size of each cost base element at each progressive step.

The procedure guarantees that the relative cost of each discipline and level will reflect the direct salary cost of instructional faculty and that all current costs, except those specifically excluded, will be accounted for. The items of expenditure excluded are the following:

1. Retirement and group insurance.
2. Student aids (awards, grants and fellowships).
3. Student loans.
4. Non-state funds.
5. State funds from other State agencies.
6. Refunds.
7. All Capital expenditures, including IBA rentals.
8. Payment for staff activities not included in basic regular appointment.

Table D is a reproduction of the summary form of the cost study. To arrive at one-third of undergraduate instructional cost using the data, for example for Chicago State (CSU) would involve the following:

a. (Lower Division Credit Hour Cost x Lower Division Credit Hours) + (Upper Division Credit Hour Cost x Upper Division Credit Hours) ÷ (Lower Division Credit Hours + Upper Division Credit Hours) = Weighted Undergraduate Credit Hour Cost. ($52.04 x 49,444) + $61.90 x 77,908) ÷ (49,444 x 77,908) = $58.07).
b. (Weighted U.G. Credit Hour Cost x 30 Credit Hours) ÷ 3 = 1/3 undergraduate instructional cost or using the numbers from Table 1-A. ($58.07 x 30) ÷ 3 = $580.70.)

The categories of cost "direct instruction," "indirect instruction," "departmental overhead," "college," "campus," and "university" overheads, "libraries" and "operational and maintenance plant" have no exact equivalents in the RAMP system now in use. However, the sum of these is equivalent, within less than 1%, to the sum of "instructional activities," "academic support," "institutional support" and "operations and maintenance."

APPENDIX C

Comparison of Tuition and Financial Aid Policies in Major Industrialized and Surrounding States

At the request of the Chairman and various Committee members, a survey was conducted to determine how the State of Illinois compares to other major industrialized and surrounding states in regard to tuition and financial aid policies. In particular, problems encountered in implementing a tri-level tuition policy in the States of New York, Wisconsin, and Michigan are highlighted. The results of this survey are as follows:

NEW YORK

Tuition Policy: The Board of Trustees of the State University of New York adopted a tri-level tuition policy whereby students at the lower division (freshman-sophomore), upper division (junior-senior), and graduate (Grad I) levels would pay approximately 50 percent of the instructional and library costs. A fourth level of tuition was also adopted for Grad II and professional level students which reflects the higher cost of these programs but is not in direct proportion to any percentage of instructional and library costs. Tuition rates currently in existence are as follows:

Lower division	$ 650
Upper division	$ 800
Graduate	$1,200
Professional	$1,600

In adopting a tri-level tuition policy, the SUNY Board of Trustees set forth a series of principles stating that the nations commitment to universal free education is expanding from 12 to 14 years of formal learning and the more advanced the level of education the greater should be the student share of the cost. These principles served as the underlying rationale for the adoption of a tri-level tuition policy, however, closer inspection reveals the major impetus for the substantial tuition increase and change in policy was the urgent need for additional revenue.

SUNY officials reported many problems in the transition to a tri-level tuition policy. The major problem appears to be in the updating of student records to reflect their level of instruction and appropriate tuition charges. In order to accomodate part-time students and those enrolled in seminars during the summer session, it was necessary to charge students based on the course level since registration would be difficult if verification was required of the class standing of each part-time student. Problems were also encountered in the distribution of financial aid due to the coordination needed between the finanical aid office and registrar in determining the student's level for computation of financial need based on the appropriate student budget.

Student Aid: The State of New York offers two major financial aid programs, the Regents Scholarships and the Tuition Assistance Program. Regents Scholarships are available to only full-time undergraduates who exhibit academic potential/ability and need and enroll in public, private or for-profit schools. The awards are limited to the payment of tuition and fees except in the case of freshmen award winners who are given a flat grant of $250 without regard to tuition and fee charges. The Tuition Assistance Program is open to both full-time undergraduate and graduate students who demonstrate financial need. The awards are limited to tuition only up to a maximum of $1,500 for freshmen and $600 for upper classmen. The awards may be used at a public, private, or for-profit school. The State of New York provides one-third of all state needs based awards and approximately one-fourth of all dollars for state needs based awards. The awards are distributed as follows:

	# of Winners	$	Average Award
Regents Scholarships	59,000	$ 23,750,000	$403
Tuition Assistance Program	210,000	$ 84,700,000	$403
TOTAL	269,000	$108,450,000	

WISCONSIN

Tuition Policy: The Board of Regents of the University of Wisconsin adopted a tri-level tuition policy two years ago whereby students at the lower division and upper division levels would pay 25 percent of lower division and upper division instructional costs respectively and graduate students would pay 20 percent of Grad I instructional costs. A fourth level of tuition applies for medical students whereby the charge is calculated at 190 percent of the graduate fee charged. The tuition charges currently in effect at the University of Wisconsin-Madison are as follows:

Lower division	$ 485
Upper division	$ 540
Graduate	$ 635
Medical	$1,213

The tri-level tuition policy was mandated by the Governor and Legislature without the approval of the Board of Regents. University of Wisconsin officials are dissatisfied with the tri-level tuition policy and have recommended to the Board of Regents that the system return to a bi-level (undergraduate-graduate) tuition policy. Reasons for dissatisfaction include problems related to the updating of student records, revenue generated by a differential undergraduate fee is not very substantial, and current student financial aid policies provide a majority of the awards to lower divison students during a period when tuition at the upper division level has increased substantially and increased aid is not available to upper divison students.

The recommendation to return to a bi-level tuition policy would provide for undergraduate tuition charges based on 25 percent of the combined undergraduate instructional cost and graduate tuition charges based on 120 percent of the undergraduate fee.

Student Aid: The State of Wisconsin offers five major financial aid programs; the Tuition Grant Program, Talent Incentive Program, Honor Scholarships, Higher Education Grants, and the Indian Student Assistance Program. The Tuition Grant Program is open to full-time undergraduates at private institutions, who exhibit financial need. Awards are limited to the payment of tuition and fees up to a maximum of $1,000. The Talent Incentive Program is open to full and part-time undergraduates at public and private institutions, who exhibit financial need. The awards cover the payment of total student cost up to a maximum of $1,000. Honor Scholarships are available to full-time undergraduates at public four-year and private institutions, who exhibit academic potential/ability and financial need. The awards cover the payment of total student cost up to a maximum of $800. Higher Education Grants are available to full and part-time undergraduates at public two and four-years schools, who exhibit financial need. The awards cover the payment of total student cost up to a maximum of $1,500. The Indian Student Assistance Program is open to American Indians enrolled full or part-time in undergraduate or graduate programs at public or private institutions, who exhibit financial need. The awards cover the payment of total student cost up to a maximum of $1,500. Although the State of Wisconsin offers a number of different types of awards, the total number represents less than 3 percent of all state needs based awards. The awards are distributed as follows:

	# of Winners	$	Average Award
Tuition Grants	7,200	$ 5,900,000	$819
Talent Incentive Grants	1,865	$ 1,492,100	$800
Honor Scholarships	870	$ 559,000	$643
Higher Education Grants	12,000	$ 4,767,400	$397
Indian Student Assistance	1,200	$ 950,000	$792
TOTAL	23,135	$13,668,800	

MICHIGAN

Tuition Policy: The University of Michigan has no formalized tuition policy. Factors which prompt a tuition increase include insufficient state funding, comparision with peer institutions, and the need to maintain program quality. The most recent tuition increase resulted in tri-level tuition charges to more closely relate educational and general costs to tuition. The University of Michigan also charges differential tuition charges among four professional level programs of medicine, dentistry, public health, and law. Tuition rates currently in existence are as follows:

Lower division	$ 800
Upper division	$ 904
Graduate	$1,096
Medicine	$1,600
Dentistry	$1,600
Public Health	$1,560
Law	$1,240

University of Michigan officials report no major problem related to the implementation of a tri-level tuition policy.

Student Aid: The State of Michigan offers two major financial aid programs: Competitive Scholarships and the Tuition Grant Program. Competitive Scholarships are available to full-time undergraduate students at public or private institutions, who exhibit academic potential/ability and financial need. Awards are limited to the payment of tuition and fees up to a maximum of $1,200. The Tuition Grant Program is open to full-time undergraduate and graduate students at private institutions, who exhibit financial need. Awards are limited to the payment of tuition and fees up to a maximum of $1,200. The State of Michigan accounts for approximately 2.8 percent of all state-supported needs based awards. The awards are distributed as follows:

	# of Winners	$	Average Award
Competitive Scholarships	14,869	$10,667,928	$ 717
Tuition Grants	7,561	$ 7,900,000	$1,045
TOTAL	22,430	$18,567,928	

INDIANA

Tuition Policy: The University of Indiana and other systems have no set tuition policy. Rates are established at the direction of each governing board with little interference from the Legislature. Tuition rates at various Indiana institutions currently in existence are as follows:

	Undergraduate	Graduate
University of Indiana	722	744
Indiana State University	720	576
Ball State University	630	678

Student Aid: The State of Indiana offers three major financial aid programs: Scholarship Program, Educational Grants, and Freedom of Choice Grants. The Scholarship Program is open to full-time, undergraduate students at public or private institutions, who exhibit academic potential/ability and financial need. Awards are limited to the payment of tuition and fees up to a maximum of $1,400. Educational Grants are available for full-time undergraduates at public or private institutions, who exhibit financial need. Awards are limited to the payment of tuition and fees up to a maximum of $1,400. Freedom of Choice Grants are available for full-time undergraduates at private institutions, who exhibit financial need. The awards are limited to the payment of tuition and fees up to full cost if need is shown. The State of Indiana accounts for approximately 1.9 percent of all state-supported needs based awards. The awards are distributed as follows:

	# of Winners	$	Average Award
State Scholarships	11,500	$ 9,000,000	$783
Educational Grants	1,982	$ 1,300,000	$656
Freedom of Choice Grants	1,796	$ 1,500,000	$835
TOTAL	15,278	$11,800,000	

MISSOURI

Tuition Policy: The Board of Curators of the University of Missouri has no set tuition policy per se. Discussion with University officials indicates that tuition charges are set at what officials believe the traffic will bear without a resulting decline in enrollment. Tuition charges in the professional programs of medicine, dentistry, veterinary medicine, and pharmacy are set at a level of $150 above the undergraduate-graduate fee. Tuition rates at the University of Missouri are as follows:

Undergraduate-Graduate	$540
Medicine, Dentistry, Veterinary Medicine, and Pharmacy	$690

Student Aid: The State of Missouri participates in one major financial aid program, Student Grants. Student Grants are available to full-time undergraduate students in public or private institutions, who exhibit financial need. Awards may cover total student costs up to a maximum of $1,000 or one-half of total need shown. The State of Missouri accounts for less than 1 percent of all state-supported needs based awards. The awards are distributed as follows:

	# of Winners	$	Average Award
Student Grants	7,651	$3,874,786	$506

IOWA

Tuition Policy: The Board of Regents of the University of Iowa, Iowa State University, and the University of Northern Iowa in reviewing and preparing tuition proposals for the 1975-77 biennium adopted certain policy guidelines to be followed in arriving at the recommendations. The guidelines stated that the rates were to be as low as possible to maintain accessibility, the rates were to be increased once during the biennium and were to take into consideration inflation, competition in the eleven-state area, indices of growth in cost of instruction, gross national product, personal income, etc. The Board of Regents has recommended a 10 percent increase in tuition beginning in Fall, 1975 for the University of Iowa and Iowa State University. This increase will result in undergraduate students paying approximately 30 percent of instructional cost. The rate for the University of Northern Iowa is recommended to be increased by only 5 percent because of the school's different mission, its enrollment problems of the last two years, rates in comparable institutions, and program variety available. Differential undergraduate and graduate tuition charges have been in effect for some time in Iowa institutions. Tuition increases for graduate students of the same magnitude as for undergraduate students, 10 and 5 percent respectively, have also been recommended in order to maintain an approximate $100 differential between undergraduate and graduate charges. In regard to tuition charges in the professional level programs of medicine, dentistry, and veterinary medicine, the Board of Regents has recommended that students in these programs pay approximately 28 percent of instructional costs. In reviewing the recommendations of the Board of Regents, it appears that the most important consideration in the setting of tuition charges is comparison with institutions in the eleven-state area rather than a policy whereby students pay a fixed percentage of instructional costs. The recommended tuition charges for the 1975-77 biennium are as follows:

	University of Iowa and Iowa State University	University of Northern Iowa
Undergraduate	$ 680	$630
Graduate	$ 780	$660
Medicine	$1,300	
Dentistry	$1,130	
Veterinary Medicine	$ 860	

Student Aid: The State of Iowa offers three major financial aid programs: A Scholarship Program, Tuition Grant Program, and a Vocational-Technical Tuition Grant Program. The Scholarship Program is open to full-time undergraduates at public 4-year or private institutions, who exhibit academic potential/ability and financial needs. Awards are limited to the payment of tuition and fees or $610. The Tuition Grant Program is open to full-time undergraduates at private institutions, who exhbit financial need. Awards are limited to the payment of tuition and fees up to a maximum of $1,000. The Vocational-Technical Tuition Grant Program is open to full-time undergraduates in public institutions, who exhibit financial need. Awards are limited to a maximum of $400. The State of Iowa Accounts for less than 1 percent of all state supported, needs based awards. The awards are distributed as follows:

	# of Winners	$	Average Award
Scholarships	959	$ 532,591	$555
Tuition Grants	6,600	$6,000,000	$909
Vo-Tech Tuition Grants	200	$ 40,000	$200
TOTAL	7,759	$6,572,591	

CALIFORNIA

Tuition Policy: The Board of Regents of the University of California does not charge tuition to resident students. However, there is a $300 University Registration Fee and $300 Educational Fee per year for undergraduates which is used to support university operations. At the graduate level, students pay the same University Registration Fee, but pay an Education Fee of $360 per year. Since both tuition charges in other states and the fees which the Board of Regents of the University of California levy on students are used to support university operations, both charges appear to be comparable. University of California officials report that fees are increased from time to time due to inflation, the need to maintain program quality, and to compare with other institutions of similar size and programmatic scope. Fees currently in effect for undergraduate and graduate students at the University of California campuses are as follows:

Undergraduate	$600
Graduate	$660.

Student Aid: The State of California offers three major financial aid programs: State Scholarships, College Opportunity Grants, and Occupational Training Grants. State Scholarships are available to full-time undergraduate students at public and private institutions, who exhibit academic potential/ability and financial need. Awards are limited to the payment of tuition and fees up to a maximum of $600 at the University of California campuses, $180 at the State University system campuses, and $2,500 at private institutions. College Opportunity Grants are available to full-time undergraduates at public and private institutions, who exhibit academic potential/ability and financial need. Awards are limited to the payment of tuition and fees plus an additional $900 for other related expenses with specific maximums of $3,400 for private institutions, $1,570 at the University of California campuses, $1,080 at the State University system campuses, and $900 at community colleges. Occupational Training Grants are available to full-time undergraduates at public, private and for-profit institutions, who exhibit academic potential/ability and financial need and are enrolled in occupational programs. Awards are limited to $2,000 for tuition and $500 for books. The State of California accounts for approximately 6 percent of all state-supported, needs based awards. The awards are distributed as follows:

	# of Winners	$	Average Award
State Scholarship	40,145	$33,013,073	$ 822
College Opportunity Grants	6,676	$ 7,281,701	$1,091
Occupational Training Grants	499	$ 762,390	$1,528
TOTAL	47,320	$41,057,114	

PENNSYLVANIA

Tuition Policy: The State Board of Education of Pennsylvania has recommended that tuitions in state-owned institutions should be increased to $800 and tuitions at Commonwealth universities should be increased to $1,000 per year. In order to achieve these levels, it was recommended that tuitions should be increased on an annual basis by amounts relative to the increase in the national level of per capita disposable income. Unfortunately, little additional information was made available concerning Pennsylvania tuition policies

Student Aid: The State of Pennsylvania offers one major financial aid program, the State Scholarship Program. State Scholarships are available to full-time undergraduates at public, private, and for-profit institutions, who exhibit financial need. Awards are limited to the payment of tuition and fees up to a maximum which is restricted to a percentage of calculated need as determined by the State Scholarship Commission. The State of Pennsylvania accounts for approximately 13.5 percent of all state-supported needs based awards. State scholarships are distributed as follows:

	# of Winners	$	Average Award
State Scholarships	107,871	$73,191,262	$679

ILLINOIS

Student Aid: In order to compare the Illinois State Scholarship Commission's Monetary Award Program to programs in other states, the following information regarding Illinois is offered:

	# of Winners	$	Average Award
Monetary Award	90,000	$63,220,000	$702

The State of Illinois accounts for approximately 11.3 percent of all state-supported needs based awards. The States of New York, Pennsylvania, and Illinois, alone, account for over 50 percent of all state-supported needs based awards.

APPENDIX D

NON-RESIDENT TUITION POLICIES IN MAJOR INDUSTRIALIZED AND SURROUNDING STATES

NEW YORK

Tuition Policy: Tuition rates for non-residents are established by the Board of Trustees of the State University of New York. No set policy exists by which non-resident charges are calculated, however, tuition rates are somewhat higher for non-residents than resident students. Tuition rates currently in existence for non-resident undergraduate students are as follows:

Lower Division:	$1,175
Upper Division:	$1,400

WISCONSIN

Tuition Policy: The Board of Regents of the University of Wisconsin adopted a detailed non-resident tuition policy whereby students at the lower division and upper division levels would pay 100 percent of the lower division and upper division instructional costs respectively and graduate students would pay 70 percent of the combined Grad I/Grad II instructional cost. Non-resident tuition charges currently in effect at the University of Wisconsin-Madison are as follows:

Lower Division:	$1,818
Upper Division:	$1,918
Graduate:	$2,348

MICHIGAN

Tuition Policy: The University of Michigan has no formalized tuition policy, however, non-resident tuition charges approximate 75 percent of instructional cost. Tuition rates currently in existence for non-resident students are as follows:

Lower Division:	$2,600
Upper Division:	$2,800
Graduate:	$2,840
Medicine:	$3,200
Dentistry:	$3,200
Public Health:	$3,160
Law:	$2,880

INDIANA

Tuition Policy: The University of Indiana and governing boards of other systems have no set tuition policy regarding non-resident students. Rates are established at the direction of each governing board at a level approximately twice the charge for resident students. Tuition rates for non-resident undergraduate students at various Indiana institutions currently in existence are as follows:

University of Indiana	$1,560
Purdue University	$1,600
Ball State University	$1,260

MISSOURI

Tuition Policy: The Board of Curators at the University of Missouri has no set tuition policy for non-resident students, however, tuition charges approximate full instructional cost. The tuition rate for non-resident undergraduate students at the University of Missouri is as follows:

Undergraduate fee: $1,540

IOWA

Tuition Policy: The Board of Regents of the University of Iowa, Iowa State University and the University of Northern Iowa have recommended that non-resident undergraduate tuition be increased 7 percent for the Fall, 1975. It is recommended that non-resident graduate tuitions be increased by 6.5 percent at the University of Iowa, 4.3 percent at Iowa State University, and no increase at the University of Northern Iowa. It appears the most important consideration in establishing tuition rates within the Iowa system is the comparison with similar institutions in an eleven state area. The recommended tuition rates for non-resident students in the Iowa system are as follows:

	Undergraduate	Graduate
University of Iowa	$1,550	$1,650
Iowa State University	$1,530	$1,650
University of Northern Iowa	$1,200	$1,380

CALIFORNIA

Tuition Policy: The rules and regulations governing the Board of Regents of the University of California state that the amount of the non-resident tuition fee shall be fixed by the President with the concurrence of the Board of Regents. Non-resident students currently pay approximately 3 times the amount that resident students pay. Non-resident tuition rates currently in effect at the University of California are as follows:

Undergraduate	$2,100
Graduate	$2,160
Law	$3,240

APPENDIX E

Undergraduate Tuition Waivers at Public Senior Institutions

(dollars in thousands)

Board of Governors Type of Waivers	Chicago State No.	Chicago State $ Value	Eastern No.	Eastern $ Value	Governors State No.	Governors State $ Value	Northeastern No.	Northeastern Value	Western No.	Western $ Value
Statutory										
Veterans (122:30-5)	362	107.7	365	197.0	270	168.0	208	174.3	316	162.9
General Assembly (122:30-9)	12	3.0	109	54.3	1	1.7	55	28.7	196	94.4
Special Education (122:30-1)	27	6.5	42	21.0			18	10.5	62	28.1
ROTC (122:30-16)									12	7.8
Teacher Education (122:30-1)	352	85.9	931	429.2	6	2.1	372	226.7	1,112	491.0
County (122:30-6)			24	12.1			1	.7	22	9.1
Children & Family Services (23:5008)										
Public Aid (122:30-14.1)			1	.6						
Children of Veterans (144:30)							1	.6		
Sub-Total	753	203.1	1,472	714.2	277	171.8	655	441.5	1,720	793.3
Institutional										
Staff	99	32.0	27	7.2	25	4.2	74	37.2	51	12.7
Athletic	115	63.0	191	135.2			89	45.2	129	104.9
Academic			54	29.9						
Other Talent	165	147.0			17	4.0	94	45.2	125	84.9
Foreign Student	51	28.9	73	113.9	5	3.2	23	36.8	74	124.1
Disadvantaged	142	107.6	37	22.6	57	14.7	90	50.7		
Other			3	1.8					3	1.4
Sub-Total	572	378.5	385	310.6	104	26.1	375	215.2	382	327.9
TOTAL WAIVERS	1,325	581.6	1,857	1,024.8	381	197.9	1,030	656.7	2,102	1,121.2

APPE IX E
(continued)

Undergraduate Tuition Waivers at Public Senior Institutions

(dollars in thousands)

Type of Waivers	Board of Regents Illinois State No.	Board of Regents Illinois State $ Value	Board of Regents Northern No.	Board of Regents Northern $ Value	Sangamon State No.	Sangamon State $ Value	SIU SIU-Carbondale No.	SIU SIU-Carbondale $ Value	SIU SIU-Edwdsville No.	SIU SIU-Edwdsville $ Value	U of I UofI-Urbana No.	U of I UofI-Urbana $ Value	U of I UofI-CC No.	U of I UofI-CC $ V-lue	U of I UofI-MC No.	U of I UofI-MC $ Value	Total No.	Total $ Value
Statutory																		
Veterans (122:30-5)	389	179.4	1,192	353.4	374	160.0	1,312	720.8	1,045	561.4	327	162.2	1,270	680.6	81	41.8	7,511	3,669.5
General Assembly (122:30-9)	174	76.8	201	80.0	10	5.0	194	106.6	44	27.0	563	266.4	142	77.2	35	20.3	1,736	841.4
Special Education (122:30-1)	229	98.7	91	32.1			15	8.2			41	18.8	3	1.7			523	225.6
ROTC (122:30-16)			9	18.0							12	17.1	18	8.9			51	51.8
Teacher Education (122:30-1)	1,736	783.3	1,202	454.0	22	10.2	532	292.3	572	351.2	560	277.8	311	181.8			7,709	3,595.5
County (122:30-6)	29	13.4	12	4.1			34	18.7	6	3.7	167	82.8	3	1.5	2	1.0	300	147.1
Children & Family Services (23:5008)	1	.4	15	4.7			1	.2			2	1.0	1	.7			20	7.0
Public Aid (122:30-14.1)	3	1.5	1	.4							1	.5					6	3.0
Children of Veterans (144:30)											420	208.3	4	3.1	7	3.5	432	215.5
Sub-Total	2,561	1,153.5	2,723	946.7	406	175.2	2,088	1,146.7	1,667	943.3	2,093	1,034.9	1,752	955.4	125	66.5	18,292	8,746.1
Institutional																		
Staff	76	18.0	237	71.4	28	5.4	158	60.0	93	52.9	356	138.0	185	56.9	48	20.1	1,457	516.0
Athletic	193	106.1	111	80.0			212	179.1	50	64.4							1,090	777.9
Academic	119	75.7	16	64.0			584	375.9	20	8.6							793	554.1
Other Talent	73	44.6	181	130.0	1	.3			34	29.2	16	7.9					706	493.6
Foreign Student	144	157.9	60	60.0	5	6.7			25	218.5			35	75.0			500	825.0
Disadvantaged																	326	195.6
Other					14	7.1			166	42.9	408	208.6	77	40.8	19	19.3	690	321.9
Sub-Total	605	402.3	605	405.4	48	20.0	954	615.0	388	416.5	780	354.5	297	172.6	67	39.5	5,562	3,684.1
TOTAL WAIVERS	3,166	1,555.8	3,328	1,352.1	454	195.2	3,042	1,761.7	2,055	1,359.8	2,873	1,389.4	2,049	1,128.0	192	106.0	23,854	12,430.2